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JPRS-LAM-85-023

8 March 1985

# Latin America Report

PERU: ALAN GARCIA DISCUSSES  
APRA PARTY

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8 March 1985

## LATIN AMERICA REPORT

### PERU: ALAN GARCIA DISCUSSES APRA PARTY

Lima EL PERU ES ESPERANZA in Spanish 10 Sep 84 pp 13-125

[Book "Peru is Hope: Writings of Alan Garcia, with an Interview by Julio Cabrera Moreno," Siglo XXI Publishers, S.A., 18,000 copies, 125 pages]

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PERU

**PERU: ALAN GARCIA DISCUSSES APRA PARTY**

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["Peru Is Hope: Writings of Alan Garcia, with an Interview by Julio Cabrera Moreno," Siglo XXI Publishers, S.A., 18,000 copies, 125 pages]

[Text] Interview with Alan Garcia by Julio Cabrera Moreno

[Question] After more than 50 years of struggle and with Haya now dead, APRA [American Revolutionary Popular Alliance] finally seems on the verge of taking office. What sort of feeling does all this give you?

[Answer] A feeling of enormous responsibility. Because not only is the 60-year history of a party coming to a head; the expectations of an entire nation are involved as well at a dramatic juncture in its history. This responsibility forces us to reaffirm the desire for in-depth change that APRA has always stood for, by updating its ideology in a changing and more unjust world. But it also obliges us to call together all Peruvians of good will and proven talent, no matter where they might be, to vindicate the hope that is Peru. In this regard, my message to political parties, to professional associations, and to union and business groups has always been to seek common ground on a national and grassroots level, to become aware of the grave problems of centralism, dependence and injustice that plague our country, so that we can lay the groundwork for a qualitatively different society.

[Question] APRA was born and grew promising the people great revolutionary change. What will you do in office to keep that promise and to live up to your party's history?

[Answer] Fulfill the aspirations of the people, which the APRA party stands for, and affirm and rescue the collective forces of our nationhood, which I think have been handcuffed, muzzled in dealing with the historic task of dominating their space and taking charge in their time. Nothing that we are experiencing at the moment is inevitable, not price inflation, not the drop in our production capacity, not higher unemployment, not illness and death for millions of Peruvians.

None of this is inevitable if we approach Peru as one great task. In this regard, we must reaffirm the guiding principles of Haya de la Torre's philosophy during this election campaign, in which we will seek common ground with grassroots forces and with the progressive Peruvians who realize that the next government will have to hold firmly to nationalism, a defense of our country's autonomy and our domestic output capacity; it will also have to stand firmly by democratization at all levels of our society, which means: justice, redistribution, decentralization and regionalism. The State will have to be transformed so that it is not a dirty business or the private property of groups inside or outside the country, but so that it represents the overwhelming majority of Peruvians. We will have to put together a government that exalts morality, not just the morality of punishment for those who commit crimes, but also the morality of solidarity among all Peruvians, because united in a single undertaking, we must accept the sacrifices involved in forging for our homeland the lofty destiny to which it has been called. In a word, we will put together a government that will salvage our country's historic capacity for work, for justice and that will enable us to put an end to this tragic history that has led us to violence and ongoing crisis.

[Question] The great transformation initially took the form of what was called APRA's minimum program and maximum program. Events have outstripped both of them by now. What new revolutionary objectives should new versions of the minimum and maximum programs contain?

[Answer] This is a broad question that must be answered broadly. The country that Haya de la Torre, Mariategui and other thinkers knew and against which the young generation of the 1920's rose up, was substantially different from the country today. We have changed, but the change has intensified injustice, centralism and foreign domination.

Haya de la Torre brought a fundamental new concept into politics: our system's first and foremost contradiction is the dependence of our country, which is an economic satellite of imperialism. Hence, APRA's great task was to secure a government that would gain back our resources and give us back the ability to forge our own destiny. It would accomplish the task in a society organized on cooperative, socialist foundations. But what we have to realize is that the country has undergone major changes since the 1920's. We are a dependent country; we have changed every time that international capitalism has changed. In a brief work entitled "A Different Future" I have outlined the history of this century, indicating that in the 1920's, when monopoly world capitalism controlled the raw materials areas in the poor countries, we were governed by the cotton and sugar exporters. Ours was a country in which almost 80 percent of the population was rural, living on large estates, and in which the capital, Lima, had perhaps slightly more than 200,000 inhabitants, and in which today's industries did not exist, just a few textile mills that you could

count on the fingers of one hand. During that period imperialism meant the exportation of sugar, cotton or mineral surpluses. APRA's big idea was to nationalize those surpluses and to utilize them through the State, the representative of the masses, to conduct a decentralization policy that with the aid of machines and by salvaging our cooperative forces, would help develop a solution to our people's underdevelopment.

But that great idea of the 1920's and 1930's that was included in our party's minimum program was never put into practice. Our country retained those characteristics for several decades more. But when world capitalism made a big leap, first because of the New Deal and the resulting greater government involvement in the U.S. economy and then later, after the war, when the United States became the main world capitalist power, a new type of imperialism arose: the imperialism of the transnational corporations. Foreign capital started coming in not to buy mineral and farm exports but to set up factories and seek buyers right here for its products. It was a new form of world imperialism. As a result of this shift Peru also changed, and we had governments that promoted industrialization. In other words, they encouraged the influx of foreign technology and factories.

But the industrialization that began in the early 1950's had grave contradictions. Only Lima became industrialized, and today we have 80 percent of our industries here. Meanwhile, the rest of the country was left impoverished and amid large estates. Domestic industry thus had no domestic market and was doomed. Moreover, it was an industry bought overseas and for increasingly scarce dollars, because the prices of our mineral and farm exports were dropping. And because it was an industry that used foreign technology, it provided few jobs, which meant that the peasants who came to the city could not find jobs and created slums.

These were the grave contradictions in our industry, and then in the 1970's world capitalism underwent another change. First, because the growth cycle that had begun in 1945 came to an end. Second, because the rise in oil prices triggered an energy crisis that brought on serious deficits and problems in the richest industrialized countries. World capitalism then ceased to be a seller of factories and an establisher of plants in the Third World and became a financial capitalism that collected old debts. The shift to a world financial capitalism that needs to sell its industrial goods to earn the money to pay for increasingly expensive oil has also brought about change in our country. We have become a debtor country, a country that buys imported goods, sacrificing the weak industrialization that we started in 1950. It is clear, then, that it is not enough to say that one is an anti-imperialist. True revolutionaries must also lend updated substance to that assertion and understand how by virtue of the three cycles of imperialist domination our country is today a completely centralized and dependent society.

[Question] But could you tell me what sorts of problems imperialist actions have created for Peru?

[Answer] First of all, our industry is crisis-plagued not only because of this government's imports policy but also because of its structural contradictions. The industry in Lima does not have a market in the interior because the people there, most of them peasants, have been impoverished. Second, the peasant population is growing poorer and producing less food because the Lima-based and coastal industry "assembles" foods brought from overseas and teaches our people to eat those foods, thus causing our agriculture to shrink. We can thus see a very clear structural link between industrial centralism and peasant farmer poverty and between peasant farmer poverty and the food imports policy. How do we shatter these links? By realizing that Peru's number one vice is centralism. Centralism is an expression of dependency and social domination. We are a centralized country not just geographically with Lima and the coast; we are an economically centralized country as well. Just as there are transnationals and segments of the wealthy bourgeoisie, there is also a specific level of consumption among the middle classes, based mainly on imports. The sectors of the government bureaucracy, which have expanded enormously, and the urban groups, which together dominate the rest of the country are represented by the country's economic, professional and labor union organizations. But I have always wondered who defends the millions of peasants, who defends the impoverished commune members or the sharecroppers all over the country or the cooperative members, who make up the bulk of the economically active population. How do we tackle this big problem of centralism? This is our answer, with updated proposals. We need to shatter this centralism, and we have thus proposed to the country a government that will feed people. Food is something that everyone can understand. A food program includes more than emergency supplies for 10 million Peruvians who are running the risk of malnutrition; it also means a nationwide development plan for revolutionary change. Why?

Because food is the foundation of good health; it means fishing, livestock, but basically agriculture. Agriculture boils down to decentralization, because our farmers are located in our most neglected departments. Agriculture means a regional and social redistribution of income from our national resources, beginning with our poorest people, the peasants. Agriculture means food production and, as a result, stable wages, because you can keep increasing wages, but unless there is enough food in the country, higher wages will remain a complete fraud. Agriculture means democratization, starting with the most neglected segment in Peru's history, the peasants, who used to be called Indians. In the final accounting, agriculture is fundamental to an economic structure: the creation of a domestic consumer market and economic independence for our country, which now imports a great many of its foodstuffs. Our industry is doomed to bankruptcy, with the resulting joblessness, until it develops a domestic consumer market, and we will accomplish this by reactivating agriculture,

so that millions of Peruvians can enter the marketplace, have an income and buy from domestic industries that are in keeping with conditions in our nation.

What is more, we have to realize that centralism harms not just the provinces and the peasants. It also hurts the poor in the cities, in its slums, the unemployed. It also hurts the middle class that is growing poorer and the proletarianized professional groups. It also harms segments of patriotic small industry. As an organizational model, centralism weakens national security and domestic security because it aggravates poverty and sets the stage for violent reactions.

[Question] But to summarize everything that you have told us, couldn't you outline APRA's minimum and maximum plan for this period?

[Answer] We reaffirm our philosophy of a nationalist party, of an alliance of national and grassroots forces in defense of our country's autonomy against the hegemony of the international economic systems. In this regard, we remain anti-imperialists. We reaffirm our devotion to Latin American integration. We must coordinate this continent's economy to respond in unison to the increasingly powerful and dominant international economic system. In the present situation, coordination means, as we have been calling for, taking the lead in uniting our peoples to tackle the most serious imperialist threat today: the foreign debt. Therefore, we are still just as pro-integration as Haya de la Torre, and we remain nationalists in the sense that the management of our country's economy must be nationalized. The former APRA program spoke of a gradual nationalization of land and industry. Peruvians own the country's land and many of its industries as well. The problem is not just nationalization, i.e. the acquisition by the government or by domestic capital of certain companies that remain in foreign hands. The problem goes much deeper. Imperialism is not what it seems to be. The imperialism that is denationalizing the country is a consumption model, a model of centralism, a social structure that is distorting our country. Nationalizing our economy and our government means shattering this centralism and laying the groundwork for a new agriculture. This is what the nationalism of the moment must be. It is not just a matter of taking over one or two foreign companies. Nationalism means teaching our country to consume what it can produce. That is what nationalizing land and industry means.

As Haya de la Torre called for, we remain in common cause with the peoples and the classes around the world who are struggling for their liberation, as in Central America or in Eastern Europe.

We still embrace Haya de la Torre's longstanding principle concerning the Panama Canal. Back then, when there were no planes, all of Latin America's trade and even trade between Iquitos and Callao had to pass through the Panama Canal. The Panama Canal was a Latin American interest at the time and could not be in the hands of the Americans;



it had to be inter-Americanized, as Haya de la Torre wanted. In our day, although the principle still has currency and although the canal has been recovered thanks to General Torrijos and the Panamanian people, we believe that Haya de la Torre's proposal must be broadened to include international communications. Peru must control its waters. This is what we have been contending with respect to the Pacific, which we feel must become a "Mare Nostrum," the most important communication route in the next century. Latin America, the Pacific coast of the United States, China, Korea, Taiwan, Indonesia, Malaysia and Southeast Asia will make up the world's most important economic development pole. Just as Haya de la Torre spoke of the Panama Canal, Peru must promote Latin American development towards the Pacific.

[Question] You want to be president of the republic and chief of state. You supposedly already have a clear-cut idea of what you are going to do if and when you take up residence in the government palace. If you win the election, what will be your first government act?

[Answer] Telling the truth. A government leader's primary responsibility and first act must be to tell his people the truth. Governing with deceit and demagogy is a grave wrong that eventually boomerangs. I will tell the country what sort of situation has been created for us by our history; a situation that this administration's unpatriotic policies have worsened. I will tell the country the situation will not be rectified overnight. If anyone thinks that the government taking office on 29 July 1985 can reverse these trends, I think he is wrong. Whoever talks like that will be committing the very grave sin of demagogy, which we must banish.

But a first government act is not all that must be done in Peru. Given the gravity of the situation we must set in motion a full-fledged emergency program, which boils down to paving the way for decentralization. The first revolutionary act of a government leader must be to spur decentralization, which as I explained is based on an agricultural program. Decentralization means spurring a vigorous development policy in the country's most depressed areas, which are the ones in which violence is occurring. Spurring decentralization means promoting small projects that people can undertake locally, not committing the nation to huge, overblown projects. We have a program of 100 small irrigation projects, many of them in the Ayacucho area, in Andamarca, in Vinchos, in Victor Fajardo. These small irrigation projects are supposed to be carried out by the communities themselves, by the municipalities, by the departmental agencies. Decentralizing means undertaking a revolution in Peru, and this would be our first act. Secondly and concurrently, we have to improve the country's ethics, and when I say that my first act in office will be to speak the truth, I am talking about a new ethics based on Peru as a project and as a hope.

[Question] There is a great deal of talk about the need to decentralize the country, and rightly so. The constitution calls for regionalization. And Congress has been working on a regionalization bill. What is your position on the administration's attitude towards regionalization and on the APRA congressional bloc's work on the bill in question, which some have questioned?

[Answer] I think that in this as in other instances, the nitpicking legalistic and legislative approach is concealing what the real situation is in our country. Towns, communities and official bodies are not going to change because a law is passed or because a new map is drawn up showing this department connected to that one to form a region. I think that regionalization is being looked at here in its traditional sense. The constitution calls for regional governments, and this is being taken as a way of increasing the bureaucratization, which will cause further delays in decision-making. I feel that there is a decentralizing force in Peru that is in the hands of the towns themselves and that many departments reject incorporation into a region. Actually, there is more of an awareness of department than a notion of regionalization. Although I am not ruling out the possibility of regionalization, I think that we must take advantage of this department and province awareness as soon as possible. The fact is that the small projects that Peru needs to bring under production the 30 percent of its arable land that is not currently in use, are projects in the provinces, in the districts, in the villages, in the departments. This is what I call decentralization. People being able to chart their own future. The rest is the work of engineers, lawyers, in Congress, where they want to draw lines on maps. The country does not want to make or combine regions. The productive people in this country are waiting for the resources to start their small irrigation projects, to improve their lands, to improve their marketing systems. This is an active regionalization and must be part of an immediate program.

[Question] Regardless of what your plans for change are in Peru, there is an urgent matter that requires specific, timely action. Could you tell us as specifically as you can what government measures you would take to cope with the economic crisis?

[Answer] Whoever takes office, and I am not assuming that it will necessarily be APRA because I have always been against vanity and cockiness, whoever takes office will have a two-pronged task to undertake simultaneously: on the one hand, to implement an emergency program to get the national economy moving again as it now stands; and on the other, to implement a program for comprehensive change in our society. Your question touches on the first part, the urgent action.

There are two urgent needs in our country: first, getting the domestic production machine moving again, and second, emergency aid for rural and urban groups suffering from poverty, disease and malnutrition.

What would the specific measures be? To get our industries working again, use the huge idle operating capacity that we have, as well as immediate tariff protection for industry, which we have always called for, even though industry itself has not realized it, and which the government just now, 4 years later, is calling for by banning imported goods that we could produce here. We should also bear in mind the following factors. We should also use the CERTEX [Export Certificates] as incentives for domestic production. We should reschedule the domestic debts of industrial sectors that were forced to assume loans in dollars, which are strangling our industry because of the constant devaluations that are outstripping inflation. If we are demanding a foreign rescheduling, we should also reschedule for domestic producers to prevent unemployment from rising further. In the area of agriculture we should meet the urgent needs of hundreds of thousands of small growers who have no money, no loans, no improved seeds, no help for their small plots or small irrigation projects. This means the use of selective credit, which the Agrarian Bank has recently taken under consideration, just a few months before the close of the government's term; the purpose of the selective credit would be to start up small irrigation projects. We will also strengthen the government's planning capabilities so that what happened in June and July does not happen again, that is to say, overproduction of potatoes in the highlands. This enabled profiteers and unscrupulous merchants to buy from growers at prices far below production costs, leaving the potato farmers in the highlands 120 billion poorer according to estimates.

Briefly, this is what must be done to get our economy moving again. This cannot be divorced, however, from top priority attention to the most depressed segments of society. In this connection, food must be the foundation of any emergency program, a food industry to which fishing as well as farming contributes. Fishing is a very important activity. In 1983 we consumed 9 kilos of fish per inhabitant, compared to 67 kilos in Japan, 21 kilos in Cuba, 13 kilos in Venezuela and 12 kilos in Ecuador, and just consider all the facilities and the fishing grounds we have. We must devote ourselves to the great task of using Peru's waters to feed the protein- and calorie-poor people in our country. Doubling fish consumption over 5 years would be a good goal, a goal to be pursued by the fishing, freezing, port and distribution facilities that we must provide. I think that this would be a revolutionary step: to see to it that our people are basically healthy thanks to a good diet and, to this end, to set up hundreds of soup kitchens. This would strengthen democracy in a country like ours, in which democracy is being reduced to the bare minimum of giving the people encouragement.

[Question] And what about the foreign debt?

[Answer] You could have asked me the broader question: How do we bring in more money? I think that for all of these purposes, which require only due government attention, we must begin by tackling

our budget's most serious problems. The number one problem: the foreign debt. We have to coordinate with other Latin American countries in paying back our foreign debt, because any sectoral or national answer to our foreign debt problem would only aggravate the problem in the short run. It should be made quite clear that we cannot earmark a substantial portion of our scarce foreign exchange to paying back debts when the creditors themselves are heavily responsible for the huge increase in these debts. We have to force them to reduce the interest rates and stretch out the payback periods. We must force them to agree to have part of the debt paid back in the form of non-traditional exports, as we have been doing with the Soviet Union. We have to force them to accept part of the payment in national currency, which would turn the foreign debt into foreign investment in our countries. The second thing: a policy of selective government investment. It is true that the government can appropriate very little funding for investment now, but the scant funding ought to be earmarked for good, productive, social investments. This is why we have rejected the policy of building roads and housing complexes. This is important. But it is more important to feed our people. Because we don't want a phantom society, with just buildings, without inhabitants or with mindless people wandering around. Third: the expansion of our tax base. Increasing the amount of taxes collected sometimes does not have to mean raising taxes. Taxes can be lowered so that more people pay them. What we do have to avoid is tax evasion, which shows a lack of social solidarity and of identification with our homeland.

[Question] You have said that the assertion that only APRA can save Peru no longer applies and that finding an answer to the country's problems is now a task for us all. If you take office, how will you put this idea into practice?

[Answer] Aprismo embraces a series of ideas that can be summarized as nationalist anti-imperialism and social development with justice and freedom. But as a political party, APRA must bring together and help all Peruvians. Under the dramatic conditions in our country today I think that only Peruvians can save Peru. We need the involvement, the solidarity of all Peruvians. A few days ago I met with the 19 deans of the country's professional associations and I found that they had an enormous civic desire to help resolve the nation's serious problems, not just by showing the way in each of their fields but also a tremendous desire to work together for the destiny of the republic, thus paying the country back for the professional training they have received. The party's great mission is to see to it that all Peruvians become involved in decision-making.

In this connection, as you say, the assertion "only Aprismo can save Peru," which was maliciously interpreted as exclusionary and parochial, must give way to an understanding that only the ideas of democracy, nationalism, stronger ethics and government change can help save our homeland, but only to the extent that all Peruvians become involved.

This is the issue for professionals. And this is the issue for Puno, which is Peru's poorest department, with one million inhabitants. We have put together an emergency program for it based on its own mining industry and on the genetic development of new farm products such as winter wheat and black quinoa. We have also developed ambitious industrialization projects for Puno that are labor-intensive, such as raising trout in Lake Titicaca with fish meal. The meaning of this project for us is that only the people of Puno can save Puno. To institutionalize their desire to work for the country, I proposed to the professional associations that we set up a sort of Council of the Presidency of the Republic, consisting of representatives of professional associations. The idea is for the president not to be shut up in the Government Palace listening to people who say only what the president wants to hear, for the president to have an advisory council made up of qualified representatives of the various political parties.

[Question] Why couldn't the council be expanded to include delegates from union organizations?

[Answer] Of course. Not just representatives of unions but of business groups as well. As a result of many many contacts in recent years I have become convinced that talent, patriotism and nationalism are not exclusive to the people who are enrolled in APRA. I had a chance to meet the mayor of Vitarte, Mr Franklin Acosta, and in the brief talk that I had with him, when he generously welcomed me at a commemoration in his district, I saw that he was technically well equipped to tackle Vitarte's grave problems. Many of the residents of this district are living in poverty or have been uprooted from their own native provinces. On the other end of the political spectrum, who can deny that the former mayor of San Isidro, Mr Conroy Mena, whom I have not had the pleasure of meeting, did an excellent administrative job in his district? What I ask myself is this: If APRA came to power, why would Peru have to do without both Mr Acosta and Mr Conroy? They have different political philosophies, but they are capable and, most importantly, well-intentioned individuals. This is the pledge that I have made to the entire country: under no circumstances would I be the instrument of a party bureaucracy. This is one of the temptations that always beset power, and we have seen it up close recently in the factional squabbling in Popular Action. We will not have a repeat of government being taken over by the rival factions in a party. We are not going to expand the government bureaucracy. I pledge not to create one single unproductive post more and not to make the government the spoils of the victorious party.

[Question] If you were to win in 1985, what would your main government team look like? Who would you like to have in your cabinet?

[Answer] I feel that the important thing is to indicate the major objectives of a government program. The rest is secondary. I would regard it as pretentious, if not vain, to name names before the people

have pronounced their verdict. I will do that after the election. What I can tell you is that there are well-known figures inside and outside my party who would be quite willing and are superbly able to fulfill the great commitment of vindicating Peru as hope.

[Question] APRA is the country's largest party. But it is only human for tremendous expectations and desires to build up over more than 50 years. If you take office, there will almost inevitably be an avalanche of them on government, with the upshot of corruption and injustice. What will you do about this likely development?

[Answer] I would interpret the party's 60-year wait more positively and say that it has taught APRA people to be patient. No opportunist or scoundrel would remain in a party that has not been in office for 60 years. It's so easy to move over to the other parties that have made it to power. So the APRA party will probably not fall prey that easily to what you call an avalanche of expectations about privileges and soft jobs.

We are human, of course, and as human beings we are always strongly tempted by this serious sin. But I think that a party like ours, which has been around for 60 years and that has undergone so many difficult tests, has a dual responsibility: to answer to the country, to help overcome its longstanding disarray; and to answer to itself by reining in those desires. This has been my main message within the party, following in Haya de la Torre's footsteps. We must begin by admitting our mistakes. Acknowledging that we in APRA have made mistakes opens up possibilities for the future, because only those who admit their mistakes are wise enough not to repeat them. I have always rejected the intolerance of claiming that we have never made mistakes. We have made mistakes just like any other group of people, and this is what proves that we are a great party. I was once asked on television what APRA's mistakes have been, and I pointed out several. For example, strategies and alliances that it should not have gotten involved in but that were perhaps explainable and justifiable at the time. I don't want to set myself up as an arbiter, as a judge of things that I have not experienced myself, but I can say that if the party were in that position now, we would not enter into those kinds of alliances, which wound up harming us. The tendency at times is to respond to the violence and intolerance of others with violence and intolerance. This is a mistake that we will not make again. This is why I have said that if there are attacks and low blows during this election campaign, I am not going to respond to them. This campaign must make history in a different way. Let us never respond with intolerance. I think that in this regard Haya de la Torre gave us an example of a man who when attacked and outlawed, bore the injustice with enormous patience and brought his life to a glorious end. If we did not admit our mistakes, we would not have a sense of ethics.

We are all anticipating the far from remote possibility of a victory, knowing that we have an ethical responsibility to show that ideas come first, not the satisfaction of personal ambitions. As I said at the outset of this interview, APRA's responsibility right now is to affirm its nationalist, leftist ideology. It must also realize, however, that politics means communication, that politics is communication and ideology. If it were just ideology, it would be an elitist, intellectual activity. If it were communication without ideology, it would be the trite demagogy of our sometime rulers. Aprismo must be a rigorous ideology of analysis and ongoing scientific study. But Aprismo must also be ongoing communication with the people of Peru. In this connection I must indicate something that is another of our limitations and that many have criticized. I feel that just as a habit does not make a monk, a symbol does not make a revolutionary. I do not identify revolutionary ideology and resolve with a symbol, with a way of clapping. These are just symbols; they are not the substance of a commitment to revolution. Those who see the revolution only as symbols are way off the track. This is why I have said that a symbol is good when it helps us to communicate with the rest of Peru, and a symbol is bad when it serves only for communication among ourselves. Symbols are a bad thing when they serve as a means of communication and encouragement within a small group and are incapable of being put before the entire country. This is why I think that in a society that after three centuries of foreign and domestic domination has become depersonalized by television, radio and the press, we also have to reassess our ways of communicating with society. Why did Mr Belaunde take possession of the flag of 1 June 1956 and proclaim himself the Man of the Flag and then lash out at us for the symbolic, enthusiastic use of the 21 flags of the continent, which was our way of saying that we were in favor of integration? This is how he used the symbol of the nation. Why does Mr Barrantes now join in the demonstrations waving only the national flag and no longer uses the red flag with the hammer and sickle? It is in keeping with the need to use symbols that say something to the rest of the country. We must realize that everything that separates us from the country, whether it is part of our history or ideology or not, must be left behind if the situation so demands, so that we can communicate with a country of millions and millions of Peruvians, for whom at times a certain type of language or applause or certain symbols have no meaning at all. The important thing in being a revolutionary is reaching the people, reaching the hearts of the people. So, politics is not just ideology; it is the ability to convey that ideology, because when an ideology is not conveyed, you backtrack in history and become a reactionary. Being a leftist means being able to bring people together around a revolutionary program.

[Question] The next Congress might be highly heterogeneous, and if APRA wins the elections, non-APRA groups might join forces and become a strong, perhaps too strong opposition to your administration, thus creating a stalemate between the Executive and Legislative branches. How would you deal with this potential situation?

[Answer] Before replying, let me talk about what might happen first. More than the Congress is going to be heterogeneous. During the election campaign itself heterogeneous forces are going to play dirty politics to keep APRA from winning. We are seeing this right now. A few days ago Congress made it harder for any party to win in the first round of balloting, as the administration sided with the Communist parties and got blank and void ballots regarded as valid during the first round. So then, before wondering what might happen in the next Congress, we should think about what they want to happen at the upcoming election.

While the country is outraged by the news of murders and the uncovering of mass graves, things that I never thought would happen in our country; while the country is hit by constant price increases, rising unemployment and poverty in cities and the countryside, the political parties engage in their cheap politics and seek to redistribute power, not realizing that the country needs a stable, strong, solid government. As you mentioned in your question, this could lead to a Congress with three more or less evenly balanced forces, with no clear majority or with a coalition majority against the administration. The three forces would be APRA, the communist Far Left and the PPC [Popular Christian Party]. I think that if APRA were to win, it would have the backing of the nationalist sectors (I'm optimistic about this), across political party boundaries, because our proposals are valid and make sense. Protecting the people from hunger, protecting domestic industry from foreign competition and intervention, defending our resources, and make good use of our waters are policies that no one can be against. Thus, if APRA took office and confronted a Congress in which today's ruling parties wanted revenge or in which the Communist parties wanted to intensify differences of opinion, we would appeal to the people, we would appeal to upstanding Peruvians, who even though they belong to those parties would be willing to work to rebuild our nation. In the event that APRA does not win the presidential election, which is another possibility that I must consider, I would like to state that given the current tragic circumstances, we would support any effective steps towards rebuilding the country and eliminating poverty among our people.

[Question] An intense arms buildup is under way both in Chile and in Ecuador, an arms buildup aimed threateningly at Peru. What would you do as president to ward off this real danger, both diplomatically and in the area of our essential defense hardware?

[Answer] The first thing would be to uphold our principle that the treaties signed by Peru and the other countries are valid and in force. In other words, as far as we are concerned, there is no problem, no claim in legal terms. Secondly, we would have to begin engaging in diplomatic efforts, which the country has not done so far. I believe in the need for much more active presidential diplomacy. I believe that the president of the republic ought to conduct



an ongoing dialogue with the chiefs of state of other countries. In this regard, Ecuador has unquestionably been much more bold and active than we have. But this can be offset by a foreign policy in which Peru takes the lead in many areas that it has abandoned: our leading role among the nonaligned countries, our presence in the Third World, our activities as a prime mover for Latin American integration. All of this has given way to a somewhat parochial approach to domestic policy. We must regain our leading role in world politics. Our presence on the Pacific and our friendship with Asian nations should serve to back our policies. When a country has an internationally recognized and respected president, it is highly unlikely that the world will tend to side with countries that seek to be our foes.

We must also maintain a defensive balance, that is to say, keep our country's firepower at the level needed to deal with any eventuality. Because as we saw in 1981, claims are not always submitted to courts and diplomatic forums; they also lead to armed attack. This does not mean spending more money; it means making maximum use of our present capabilities and, as I said, keeping up the deterrent strength of our Armed Forces. Furthermore, we cannot rule out, because it might be necessary, a bold proposal for freezing arms expenditures in Latin America, a freeze in all countries. Just as we are calling on the United States to slash the interest rates that are swelling our foreign debt, because the high interest rates are largely due to arms expenditures by the United States, we must also all realize that we in Latin America are rushing into excessive weapons spending that is like a game of dominoes in which every country's outlays multiply. If the proposal is bold enough, even the quarrelsome claimants will be pressured by their peoples into realizing that such spending must stop for a while. Carlos Andres Perez once told me that when Chile buys a tank, Venezuela has to buy seven, because if Chile, in theory, buys one tank, Peru has to buy two, Ecuador three, Colombia six and Venezuela has to buy seven. This chain reaction has to be cut short through a political act on everyone's part, and a president must enjoy enormous respect to do this.

[Question] Just as the economic crisis must be tackled with a series of specific measures, the phenomenon of the Communist Party of Peru (Shining Path) guerrillas must be addressed in similar fashion. Could you tell us what your policy towards subversion would be?

[Answer] I want to say something elementary here. Old Max Weber, the great German sociologist, said that government means a monopoly on force and coercion. A government cannot exist side by side with other armed powers. If such other armed powers exist, then the government is on its way out. I am absolutely convinced of the need to prevent any sort of guerrilla warfare and any sort of violence from being successful. I defend the need to enforce the law and the constitution harshly, without lapsing into barbarism, without engaging in abominable

human rights violations. But the government must command respect and must guarantee the country's security.

Nevertheless, we must not forget that the violence plaguing our country today is part of a much greater violence, the historic violence of the worst injustices. Violence is not just the use of a weapon or the use of a utopian, blind or criminal ideology. Before that, violence is a feeling of frustration, of dissatisfaction, of discontent. Violence is not just firing guns; violence is latent, it is hostility towards the powerful, hostility that has been pent up for a long time. A psychologist asked me the other day, leaving aside Shining Path for the moment, what goes through the head of a man who is forced to give bribes on every street corner? What goes through the head of a man who is the victim of ongoing abuses by those who have greater power than he does, who feels that he is only an object in our society, and who doesn't want anyone to bother him because he doesn't bother anyone else? This is a harassed, frightened man who could lash out violently at any moment. What are we to think of the latent violence in towns and communities that have not only been kept in severe poverty for the entire century but having been given the benefit of a nearby university, see its graduates forced to live in poverty, without jobs, back in their communities? These people are desperately alienated; they are familiar with another world, they see it on television and in the papers, but they are forced to live in poverty. This is brutal violence.

We can and must put an end to armed violence, but the latent violence will remain. We must act forcefully. But we must realize that violence could reemerge if we are unable to change the social situation in Peru. This is not just the responsibility of the politicians; the middle class and people with conservative values have to understand that it is their responsibility too. Peru's industrialists must realize that it is their responsibility too, because without a long-range solution, the problem will just become worse tomorrow.

[Question] In this connection, what do you think of Colombian President Betancur's bid to put an end to violence?

[Answer] Betancur has launched a major initiative that no one expected, inasmuch as his conservative views are well-known. I think that both approaches are in order. The law must be enforced, and force, which the constitution grants only to the government, must be employed to do away with violence. The law must be enforced to end the excesses and the loss of life that we should all be ashamed of. But we also have to realize that every human being who makes a mistake or falls prey to hatred or despair is capable of responding to an offer of generosity, to an offer of pardon. Our Christian faith tells us, in the Bible, that we must be willing to use force but we must also be willing to offer compassion, understanding and forgiveness.

[Question] How would you describe Alan Garcia?

[Answer] I am a worker for social justice and development in our country and deep down, like anyone else, a man who fulfills the demands of many people. I could have been a lawyer or a businessman, for financial and family reasons. But under these trying circumstances I am sticking to my calling as a disciple of Haya de la Torre, putting up with all of the unpleasantness, the insults, the dangers that we politicians today have to endure, because I have a single goal that comes from deep within me. I have chosen to behave sincerely, and this at times is at odds with the campaign requirement of bringing people together and attracting attention. I could not sit on my doorstep and indifferently watch the remains of my country pass by. I feel for those who feel and I suffer with those who suffer. I think that this is what gives me energy and encouragement. By myself I would not have the strength to discharge the enormous responsibility that all this entails, but I feel the presence of millions of hopeful people. Peru as hope, as a promise is an obsession with me. After seeing other peoples who have lifted themselves up from even more trying and tragic circumstances, by relying on their history, their hard work and their nationalism, I am certain that we are capable of nothing less, that we must gather together our forces and do the same, with sincerity, intensity and with simplicity. This is the mission that we must fulfill and to which many other people are called, people for whom, like me, Peru is a word that means hope. [end of interview]

Alan Garcia: 'A Different Future, APRA's Historic Task' (Introduction and Chapter 8, Democratic and Cooperative Society)

#### Introduction

There is a way of resolving our society's longstanding problems. There is a way to overcome poverty and injustice and to begin social development. When high prices and powerlessness overwhelm millions of individuals; when centralism continues to impoverish town and country; when millions of Peruvians wander our cities without work, in poor health, without food; and when national production concentrated in the big city and in export activities keeps dropping because of the weak domestic market and is jolted by recession in the world system, there is a different pathway to freedom and well-being. It is a pathway that has not been tried so far, an alternative that sees a different future as a challenge.

The purpose of this book is to reaffirm the theories of Haya de la Torre. He called for sweeping change way back in the 1920's and 1930's. Back then APRA established itself as a revolutionary doctrine for justice and development without renouncing freedom and described itself as a creative proposal for a new society that would be anti-imperialist, democratic and cooperative. The economy's structural shortcomings have worsened since then. There were gradual changes

in the previous rural, nonindustrial society that was marked by large estates and dominated by imperialism in its raw materials and services sectors. It gave way to a more urban, more centralized, more industrially concentrated society, but one that was increasingly poor and despoiled, in which foreign capital predominated in the form of industries and companies that were seeking a consumer market inside the country. Now, as the crisis that has been jolting the world economy for more than a decade continues, the new organization of our national economy is being shaken up and retransformed in the direction of an industrial slump and more severe poverty. The colonial thinking that dominates our society tells us to accept poverty as a permanent fact of life, to renounce industrial development and to once again turn to financial concentration under the domination of foreign capital. Meanwhile, unemployment and mortality keep rising, and the policy of the imperialist big stick again rears its head on the international scene.

Even today, though, there is an as yet unexplored possibility for a long-range social restructuring. I am talking about the Aprismo that is based on abiding truths and that in 1924 proclaimed the need for major change. Inspired by the University Reform of 1918 and by the Mexican Revolution of 1910, APRA called for tailoring policies to conditions in the Americas and for shunning imitations of dogmatic European theories. As a result of this effort, the "Historic Space-Time" arose, enriching and transcending the Marxist interpretations of those days. Furthermore, APRA energetically fused the dual influences of anarchism and historical materialism, accepting the explanation of the historical and social movements towards justice and incorporating into it the unforsakable principle of freedom. Thus was born, as an expression of the anti-imperialist struggle, the concept of a democratic and cooperative society, whose guiding economic principle would be government planning, but a new sort of government, one that represents the insurgent social groups against imperialism.

There are two fundamental components to the APRA philosophy. One is the historic effort to bring together all the social groups that imperialism has oppressed to carry out the party's historic program. The other is that as part of the great change the liberation of the workers from exploitation is combined with the promotion of social development and creativity. Thus, in the struggle to free our society from the enslaving power of the most developed countries and from the distortions that they create, the peoples of Indo-America must unite politically and economically.

Therefore, Aprismo is a complete philosophy. Its advocacy of a democratic, planning-oriented government that represents the masses and its commitment to cooperativism mark it as a revolutionary philosophy that is alien to "the establishment" and that gives free rein to collective creativity. To overlook Aprismo's call for sweeping change would be to lose sight of its historic destiny. To call the anti-imperialist and cooperative agenda for justice utopian would be to lapse into pragmatism and

to reduce a historic and constructive social movement to a set of piecemeal demands devoid of the spirit of change.

Today, after our society has been subjected to new forms of subordination, Aprismo's philosophy has gained in strength, because the situation of the overwhelming majority of people is getting worse and worse. During the 1980 election campaign APRA put forth an emergency program, in which it stated: "...every year about 224,000 people die, about half of them children under the age of 5. Of 1,000 live births, 120 infants die before the age of 1. In rural areas infant mortality rises to 157.3 per 1,000 live births. The main cause of death is infection." One of the factors it pointed to in this connection was "inadequate calorie and protein intake." "Peruvians consume an average of 1,900 calories and 30 grams of protein a day,<sup>1</sup> and 1 of every 2 children under age 6 is malnourished. Therefore, malnutrition is the basic cause or a related cause in 60 of every 100 deaths among children under 5." Additionally, "4.35 million Peruvians are without any medical care, and nearly 10 million do not have plumbing in their homes."

Furthermore, all of this exists amid tragic paradoxes, as this book reveals. For example, protein that could potentially be consumed on a mass scale, the protein from fish, is sold as processed fish meal at ridiculously low prices so that we can buy expensive protein from overseas, such as meat, which is in increasingly short supply. Also, the traditional rural sector (1.5 million farms, 80 percent of them smaller than 5 acres) that grows nonprocessed foods (potatoes, corn, yucca, etc) is shrinking in the face of gains by imported items that are processed in the cities by large oligopolistic groups. It bears mentioning that in the absence of a national foods policy, these products are subsidized at the expense of Peruvian agriculture and for the benefit of no more than 10 major firms. Concurrent with the deepening agricultural recession, migration is on the rise. The industrial sector is centralized, however, and dominated in an oligopoly by three percent of the companies. As a result, unemployment and underemployment are on the rise, as millions of human beings live in impoverished conditions in slums on the outskirts of our cities. The middle class and white-collar workers are rapidly growing poorer, and the country's overall productivity is dropping as a result of the "bottleneck" of lower consumption and the demand for imports. At the same time, there is increasing unfairness in income distribution, lucrative profiteering, corruption, abuses, etc.

In the face of this situation we should remember something important. Aprismo's creative generation had before it a difficult dilemma: either remain silent about large estates and imperialist domination, or in the words of Gonzales Prada, "break the infamous agreement to speak in a low voice" and tell the truth. It chose to tell the truth. Our duty today is to keep APRA's philosophical lesson alive, but we must also maintain the same attitude as Haya de la Torre and preserve the same historic ambition for major change.

## I. The Three Stages of Imperialist Domination and Their Internal Consequences

In its second and most important section<sup>2</sup> this book reaffirms APRA's interpretation of the national economy this century. The study should have been expanded to include other countries in Indo-America because one of Aprismo's fundamental principles is to view our continent as having a single problem and a single destiny. The book would have been too long in that case, however, though the question is being considered in another study already under way. For the moment, we will consider the successive forms of dependent underdevelopment in Peru and their relationship with the expansions of the world capitalist system.

Haya de la Torre began developing his theory by taking up the concept of imperialism that had already been put forth in the central countries, but he enriched it by taking the perspective of the dominated countries. Thus, in line with the APRA philosophy, the notion of imperialism is rounded out by its expression in the relationship between classes and by its overall function as a model for reproducing underdevelopment. Thus begins the study of our peoples' dependence on the world capitalist system and of the way in which the needs of imperialist capital distort and disrupt our economies and societies. Chapter 4 charts the history of the social sciences to confirm the views that Haya de la Torre set forth decades before.

### a) The Enclave Economy: Initial Interpretation 1920-1930

Applying these concepts to national history, we see that as a result of the world financial expansion around the turn of this century raw materials became denationalized and dominated by foreign capital. Chapter V illustrates this, citing the cases of cotton, sugar and mining. Society was predominantly rural, as almost four-fifths of the population lived in the countryside, where large estates were the rule. Urban industry was almost nonexistent except for textiles, and administratively embryonic government was a political tool of imperialism and feudalism. It was an "enclave economy,"<sup>3</sup> and APRA's minimum program responded to it by calling for the emancipation of the productive classes and a government that would represent the masses and manage natural resources and basic industry. From them it would earn a surplus, with which it would promote planned industrial development marked by cooperative relations.

### b) The Process of Centralized Industrialization 1940-1970

In the absence of this transformation, the country was kept for decades in feudal and imperialist enclave conditions. Nevertheless, over the years the world economy underwent major changes that coincided with and spurred changes in the model of accumulation in our society. Among them was the Great Depression, which led to the New Deal in the United States, as the government became more involved in reactivating the economy. Europe saw the rise of fascism and its worship of force and expansionism, which led to the Second World War. After the war

came a strong expansion of capitalism in which the transnational companies consolidated their domination of markets and output in the underdeveloped countries.

There was another concurrent development in the world economy at this time. Thanks to its policy of State capitalization, the Soviet Union became a new imperial power that was prepared to vie with the imperialism of private capital for strategic areas of economic and political influence.

Meanwhile, as in other countries of Indo-America, coinciding with and reflecting these changes, the national economy began an industrial movement towards "import substitution" while the trend towards urbanization accelerated. An "economy of distorted industrialization"<sup>4</sup> was thus created. Concurrent with the expansion of mining, this economy first relied on the traditional agriculture-related industries, then fishing and later consumer durables, metalworking and electrical and nonelectrical equipment. But this unplanned trend had limitations, such as centralism, the active involvement of the transnationals, oligopolistic concentration, meager job creation, dissociation from social needs and the imposition of consumption guidelines that further depressed rural farm areas.

For example, the increasing consumption of imported foods (wheat, barley, dairy products, oils, etc) made the peasant farmer economy unproductive. Consequently, there was no increase in the number of buyers for Lima's centralized industry; on the contrary, there was a drop, leading to recession and unemployment in the cities.

As a result of the growing numbers of the impoverished, underprivileged urban masses, the market kept shrinking, and idle capacity in industry grew. Moreover, industry was faced with rising foreign exchange costs as prices for raw materials exports kept falling. As a result of these contradictions, by the close of the 1960's the investment rate in the economy was dropping, and the government made a belated effort to offset the structural distortions of the urban-industrial trend.

#### c) The Economy of the Financial Networks, 1970...

The world crisis of capitalism had been in the works since before 1970 because of overproduction and a drop in the profit margin in the industrialized countries. When it coincided with our domestic economic problems, it pushed our economy towards a new dominant pattern of accumulation: "The Financial Networks."<sup>5</sup> The rise of OPEC and the jump in oil prices jolted the world economy into recession and protectionism. As a result of the drop in raw materials prices and the shrinking of export markets and because the country's leaders accepted poverty, recession and unemployment as natural features of our economy, a new model of accumulation necessarily arose that

promoted the institutions that tapped domestic savings. In other words, the cornerstone of the economy was no longer raw materials exports or industrialization; because of the industrial crisis and the country's poor productivity, the cornerstone became the allocation of credit and money. But this was just a reflection of imperialism's new financial, bank-oriented character.

Owing to the recession and the opening of the domestic economy to imports, financial institutions as the recipients of increasingly scarce social surpluses have become the focal point of a trend towards production conglomerates involving the country's most dynamic companies and units (foodstuffs, mining, real estate, etc). This recently established model of accumulation is being consolidated by the government, however, thanks to the surrender of financial networks to international banks. Thus, the dependence that initially took the form of raw materials domination (enclaves) and then shifted to the presence of multinational corporations and greater economic and social disruption (distorted industrialization) has now established itself in the form of conglomerates, thanks to which foreign domination can raise capital right here through domestic savings, thus becoming the hub of productive accumulation.

Amid these conditions, which further aggravate social disenfranchisement, poverty and recession, APRA represents an alternative because of its anti-imperialist doctrine, because of its overhauling of the economic guidelines of society to liberate the creative forces from the centralism, exploitation and oppression of the oligopolies, and because of its call for a democratic, cooperative, wealth-creating society. This chapter<sup>6</sup> offers a number of practical examples of cooperative institutions as a tool for truly decentralized regional development, as production associations with genuine participation and, turning to modern technology, as a challenge to the patterns of domination reflected in the technical and manufacturing schemes imposed by centralist, monopolistic development.<sup>7</sup> Anti-imperialism is democratic, but democracy in turn, free from totalitarian impositions, is committed to cooperativism as part of social planning.

We can promote major changes by appealing to our society's longstanding forces and associations. A democratic, cooperative society is a possibility today; it cannot be put off until the distant future while we accept a "compromise" and regressive pragmatism. On the contrary, economic democratization and cooperative promotion are the most effective and up-to-date instruments. This entails a big decision, however. It means overcoming conservative do-nothingism and, as Haya de la Torre said almost on his death bed, bringing "imagination to government" and realizing through change the enormous technological potential of present-day society. This is the historic task of Aprismo.



## II. Brief Synthesis of Ideology

The first part of this work<sup>8</sup> summarizes the principles of APRA's ideology and philosophy. They are all based on this requirement: "To place our economic, social and political problems in our own setting and not to special-order European doctrines or prescriptions to resolve them, as one would purchase a piece of equipment or a suit."<sup>9</sup> This reaffirms the concept of Historic Space-Time, which goes beyond geographic relativism and represents a profound transformation of the Marxist method in the light of the dialectic and the interpretation of history.

Chapter 1<sup>10</sup> examines the three essential components of ideology: action, dialectic and freedom. A movement of social change is a collective exercise of action, and in order for action to be scientific, it must be realistic, without overlooking the profoundly ethical and emotional essence of politics. In other words, in order for action to be scientific, action must be part of a larger emotional framework called utopia. Secondly, the dialectic explains the scientific content of Aprismo and, therefore, its loftiest revolutionary definition by overcoming the immobility of its own concepts. In this regard, from an explanation of Kant's theory of finite knowledge and the denial of it by Hegel, who posited the presence of an infinite movement of being or idea, we come to Marx and to his various definitions and applications of the dialectic. One of them, the most developed, refers to knowledge as a permanent succession of scientific hypotheses for approaching and defining reality. After analyzing the application of the principle of contradiction in several cases, the chapter studies Haya de la Torre's dialectic philosophy and concludes with a similar concept of the scientific dialectic, which in a masterful explanation for the masses Haya explains as "the man who discovered that everyone will die died himself as well."

Lastly, Chapter 1 defines the concept of freedom as the human capacity to overcome current limitations by proposing and implementing new forms of organization. This is the highest understanding of freedom in its historic dimension, which is individual freedom as a choice among alternatives. And Aprismo has salvaged it. Indeed, both in liberalism and in historic materialism, the concept of freedom loses substance. According to liberalism, freedom is an affirmation, a demand of principle that comes before society and that explains man's movement towards the unfettered exercise of freedom. The opposite view is that society comes first, and therefore man's movement becomes completely determined by and a result of society and the restrictions it imposes. According to this view, it makes no sense to speak of freedom of action, only of totally conditioned action.

Combining the powerful influence of libertarian anarchism and of Marxism as comprehensive interpretations of the historical trends that form the individual, Historic Space-Time accepts the current determination of social actors as a result of the situation or the

technical level of their society, but it asserts their freedom to propose alternative organizations for technological development. Thus, technological development can be accomplished in more rational and just organizations. This is the meaning of revolution. Thus, basically, society can be boiled down to technical work on its surroundings (geography, other societies), technical work that is set in motion and organized in institutions, relationships and standards that are more or less in line with its technological level. Therefore, revolution is an effort to raise the technological level and, at the same time, to replace the current organization with an alternative one.

Chapter 2<sup>11</sup> sets forth the basic concepts of the Marxian methods that APRA accepts and that it enriches through its practical analyses. Thus, the 19th century tendency to envisage concepts and reality as all-embracing is expanded and transcended by the idea of society at work on nature. Moreover, the concept of social classes in their most revolutionary sense is described as the unity and struggle of opposites. This transcends the concept of social strata by virtue of the historic idea of two antagonistic groups battling for control of society. The struggle forces social groups to band together in two antagonistic classes. This explains the Single Front, which originally comprised the oppressed classes, then white- and blue-collar workers and, lastly, the "people" struggling for justice and development. Thus, the Single Front is the fusion of the groups that imperialism has exploited. But imperialism is more than just foreign investment; more broadly, it is an overall distortion of society. The exploited, underprivileged segments of society establish a Single Front that culminates with a historic program for change, because a social class is defined by its action as well as by its status. Thus, the party is an agent in putting together the Single Front and the State.

Chapter 3<sup>12</sup> summarizes the philosophical principles implicit in the anti-imperialist program of social justice. They are: salvaging social freedom through democracy and cooperativism; transcending the historic models of private and State capitalism through an anti-imperialist society in which economic activity is guided in its interaction with individuals and groups. Consequently, freedom means ongoing democratic socialization aimed at the liberation of individual and collective labor, and Aprismo stands firm as a democratic, cooperative alternative and, therefore, as a revolutionary movement for change: "Against imperialism, for the political unity of Latin America and for social justice."

As I complete this work, which is part of a larger one, I should mention a few details. In June and July 1977 I outlined the concepts set forth in the first section at conferences chaired by Haya de la Torre. I believed then and I believe now in his powerful influence as a thinker, and this is why I have attempted on several occasions to link his ideas with the overall realm of the social sciences. He generously encouraged me to put my thoughts in writing. I am fulfilling my pledge 5 years late.

The historical section (part two) consists of several speeches to APRA audiences that some of our colleagues recorded and transcribed. I do not claim any originality for it; its figures and data are taken from many extremely valuable studies conducted by social researchers, whom I mention in my bibliography. The breakdown of these data and numbers into periods is, however, an upshot of interpreting and expanding on Haya de la Torre's ideas. Several APRA and non-APRA scholars are currently engaged in this effort, which must not become overly intellectual but which is much needed to avoid lapsing into empiricist pragmatism.

Lastly, I discussed the general format of the work, from which certain data and ideas have surely been omitted, in numerous talks with professors from the Federico Villareal University who are experts in the fields in question, and I must thank them for their patient support.

Lima, August 1982

#### FOOTNOTES

1. Normal requirements are 2,500 calories and 60 grams of protein. A starvation diet is 1,500 calories. FAO, WHO.
2. Chapters 4 to 8
3. Chapter 5, "The Enclave Economy"
4. Chapter 6, "The Economy of Distorted Industrialization"
5. Chapter 7, "The Economy of Financial Networks"
6. Chapter 8, "Democratic and Cooperative Society"
7. Some technological alternatives are sprinkler and drip irrigation, and hydroponic farming; reconvertng factories to produce food, cement and fish products; the chemical and energy utilization of biogas, etc. See Chapter 8.
8. Chapters 1, 2, 3.
9. "Anti-Imperialism," Foreword to the first edition, Volume 4, p 23.
10. Chapter 1, "Ideological Foundations."
11. Chapter 2, Methodology and Operative Concepts."
12. Chapter 3, "Philosophical Principles."

## Chapter 8, Democratic and Cooperative Society

### A. Its Principles

1) Aprismo's proposal is a response to the injustice and underdevelopment in our society. Because it is subordinate to and dependent on the world imperialist system, our society is grappling with mounting poverty, ever more chaotic production and spreading social disenfranchisement. Because our economic system has been organized in various ways to serve the world market and capital movements, as we have seen, it does not work for us.

The APRA proposal aims at the total emancipation of the individual as a worker and at the restoration of society's right to plan for its growth as a harmonious setting for justice and development. The Single Front represented by the State calls for the freeing up of society's creative forces, economic planning and the rechanneling of production and ownership towards meeting the needs and providing for the well-being of the masses.\*

2) Social democracy is thus based on the steady abolition of poverty, injustice and exploitation and stands firmly for the expansion of freedom as a right to broader participation. A citizen is defined as a worker and therefore is involved either in management or in production. But participation does not stop with the economy; it extends throughout society. Society must be accepted as a forum for diverse ideas. Expressing these ideas are political parties, and their diversity is a measure of democracy, inasmuch as individual ideas are grouped together in political parties.

Freedom is thus defined as an individual and collective right to hold opinions and beliefs and to dissent, but it is also freedom from poverty and exploitation and the right to understand overall production processes, to become familiar with the technology and culture of the era, and to demand a share in the social product in return for creativity. But freedom and rights are subject to social guidelines and needs, which must be pointed out by the majority of society through the government.

3) Exploitation of man by man will be eliminated in the future social democracy. No longer will a man have to sell his labor to another man and receive in exchange less than what he creatively contributed, barely enough to keep him in poverty, relegating him to the passive function of an "object." This will also prevent the relationship of domination from being replaced by a similar sort of subordination to a government bureaucracy that makes its decisions without any input from the workers. Rather than total subjugation to private property and its resulting injustices and rather than a totally dominant government and the resulting lack of freedom, APRA promotes cooperativism, for two complementary reasons. First, because it provides for ownership,

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\*This is why APRA planning is based on the structural ideas of production, consumption, distribution and investment.

labor and well-being as untrammelled, collective participation; and second, because it is organized into production units whose participatory harmony depends on not sacrificing productivity.

4) But the dual effort of liberating society and making it wealthier and, furthermore, promoting its organization in freedom demands the creation of an institutional framework marked by the involvement and representation of the masses and that sets forth social objectives. This is the State, defined as the elected representatives of the people and marked by separate and independent branches.<sup>1</sup> But an anti-imperialist government that represents the workers cannot be set up as an absolute principle or identified with society as a whole because such an identification is the beginning of totalitarianism. Nor can the "individual" be put forth as an absolute principle vis-a-vis the State, because this is another form of totalitarianism. Both the State and the individual are actually social facts, apparent opposites within a single basic reality: the social movement, the social labor movement that seeks to organize itself with justice and to clarify its goals. In this regard, the dialectic of the social movement runs from the individual to the State and from the State to the individual, resolving itself in the cooperative movement and in a meeting of minds.

Thus, the State does not set itself up as an absolute bureaucratic entity because it is restrained by individual rights, by universal participation and by political groups.

5) The concept of the State is complemented by the ongoing participation of individual and social institutions. The State adjusts to social realities through regionalization and decentralization in line with the nation's economic interests and moving from the simple to the complex, with municipalities as its basic autonomous units. Thus, the State is a means of harnessing social creativity and from the sum of economic and social factors it obtains a planning body: the Economic Congress. It sets forth economic objectives and allocates money over specific periods. Production is thus reoriented to serve society.

6) It is up to the State's democratic institutions to identify in their plan the priorities of development and social work in accordance with circumstances. They take strong action under general programs and use corrective mechanisms such as taxation and trade restrictions to coordinate economic activities with social requirements.

The State takes care of infrastructure projects and manages economic and industrial activities that are regarded as essential. The State manages, on behalf of society, the surplus capacity of the most dynamic units of accumulation. Since these were originally the agroindustrial and mining "enclaves," APRA had called for the "nationalization of land and industry." This approach had to be expanded later to industrial development planning and action against monopoly. Now that these

"modes" of dependence are behind us, the State must assume as one of its fundamental tasks the rational and programmed control of the "financial networks" so that it can really administer the allocation of loans and control basic monopolistic industries and activities in order to make sure that they are used for social purposes and that their surpluses are properly channeled.

Through taxes, direct action and cooperative organizations the State also sees to the equitable distribution of income and social compensation and meets the basic needs of all members of society.

7) The State must also seek to extend the frontiers of development and, in its defensive role, commit itself to integration. In the APRA program this is a technical requirement, not nostalgia for the past. In this study we have seen how the various modes of accumulation have worn out one after the other because they have been distorted by our ties with imperialism. Only a continent-wide production unit that is qualitatively superior and has a broader market can meet the challenge of development and threat of imperialism.

8) But as we have discussed in detail in Chapter 3, democratic society is not defined by an institutional form and by a single economic category. That was a tenet of metaphysical socialism, which was still tinged with Hegelian idealism; it held that all alienation and injustice was due to a single factor: ownership. The dialectic concept of socialism has transcended this view. Since its beginning APRA has interpreted economic categories in accordance with their interaction in today's specific structure. Thus, the categories do not undergo a "necessary and inevitable" development, as in the Hegelian view. The behavior of economic categories depends on the overall objectives of the society of which they are part and on the predominant factor among them. Therefore, the APRA program rearranges social categories in accordance with the State's anti-imperialist nature. It is the State's overall guidelines that make society democratic and just. Thus, individual ownership and initiative are subject to planning and social rationality and are complemented by the ongoing participation of the producers. Hence, with society-wide goals, initiative and imagination are preserved as driving forces in the interaction of production factors.

But society cannot allow labor and production, which are social facts, to bring about unfair differences between individuals. Social democracy accepts individual diversity and differences stemming from hard work, intellectual ability and even trial-and-error corrections. Denying this fact leads to utopian egalitarianism, which Marx also rejected and whose depersonalizing influence gives rise to a ruling elite or bureaucracy. Acceptance of this fact, however, should not lead to society's institutionalization of unrestricted competition, with the resulting abuses by the powerful. Government planning moves against imperialist and domestic monopolies and oligopolies by democratizing the economy.

Rational social guidelines should serve as the backdrop for diversity, and differences in earnings due to creativity or hard work should be dictated by productivity and by society's overall needs. In an impoverished, highly limited society it is both economically and socially irrational to allow economic power to be concentrated in a tiny minority. The greater potential of some is limited by the need to meet the needs of all.

9) Democratic society is thus a broad setting for participation and initiative in pursuit of the goals of national and social liberation. Within it, however, APRA proposes production and services cooperativism as a means of overcoming injustice and alienation. We are not proposing an absolute or abstract principle, because the freedom of the cooperative units must also take a social orientation.<sup>2</sup> This is not an exclusive principle, because if it were imposed as such it would violate its own essence of free association. It is a gradual proposal of social democracy, because cooperative relations are in keeping with the principles of the broadest participation and, therefore, of justice and freedom.

In this regard, the State is an institution committed to cooperative education and promotion. Speaking from a "national awareness," APRA calls for an effort to interpret the history of underdevelopment and domination. Thus, development is a collective, conscious, participatory and educational effort that will expand far and wide when there is a determination to cooperate. As voluntary associations for the collective ownership of production boosted by modern technology, cooperatives fulfill the goals of comprehensive development, whose essence is human self-realization.

As we will see in this same chapter, the ideals of justice for labor and higher production can be reconciled thanks to the new technological and scientific options. For decades, production capacity was identified with large size and capital goods concentration. Development was viewed as linear accumulation. The age-old concept of manufacturing created by industrial capitalism and accepted by historic materialism as an outcome of capitalism's competitive contradictions, makes it impossible for labor to truly participate in a cooperative arrangement. A scaling back of production centers must be associated with the cooperative movement and with decentralization, as well as with the social needs of consumption and job creation. The combination of an appropriate and manageable modern technology and cooperative relations can also overcome labor alienation. For example, because a production organization was too large, it was "alien" to the worker. Excess size, whether in the form of monopoly or State ownership, was alien to the workers as a group.

This means that when democratic society questions the irrational dependence and production distortions that imperialism has caused, it also questions the forms that such subordination has taken in society. One of them is social domination and economic exploitation.

Another is the growing centralization caused by "distorted industrialization." Still another is depression in rural areas and food shortages brought about by the imposition of imported urban and transnational consumption patterns. Democratic society questions all of these phenomena in a bid for planned change. But it also transcends the model of technological-manufacturing organization that in itself was a reflection of social domination. It has thus discovered the ideological role of technology, which was formerly thought neutral. The industrial blueprint of heavy capital goods concentration is one of the features of the "import substitution" model that we have examined; it generates centralization, monopoly domination, depressed rural areas, subordination of agriculture to industry, migration and fewer and fewer job opportunities. Cooperatives offer, in contrast, a basic blueprint for technical, decentralized, manageable and non-monopolistic organization that is tailored to participatory production and to more job opportunities.

Democracy is an appeal to imagination and creativity. It is an awareness of the continual rapid improvements in technology and knowledge.

10) APRA's anti-imperialist program takes the form of a democratic, cooperative society and of an ongoing process of freedom and production. Under it, labor gradually frees itself from its status as a piece of merchandise and becomes an individual and collective effort of creation. Previously, labor was a piece of merchandise whose worth could be calculated by its replacement cost and expressed as a wage. Under a democratic society, labor is accomplishment, a contribution to the society and is remunerated in accordance with its creativity. But it is also a tool for achieving social goals; in other words, it is not a piecemeal effort divorced from man himself; it is part of rationally defined whole that aims at meeting the needs and providing for the well-being of all the components of society.

#### B. A Cooperative Movement Is a Present-Day Possibility

The cooperative program is a comprehensive alternative to present-day society, which is centralized, unjust and irrational. In this chapter we seek to show that the cooperative form of organization, with government planning, is genuinely possible. Our goals of revamping economic and social relations and of making man their focus can be achieved through cooperatives. Therefore, cooperatives can become the cornerstone of the country's regionalization; of an economic democratization that will do away with monopolies; of a strengthened rural sector that will encompass agroindustry; of the widespread and decentralized creation of jobs; of the full utilization of production units that are better suited to our conditions; of readapting the country's production machine to our needs; and of social democratization with the masses having access to political and economic power by redistributing and decentralizing it. The purpose of this chapter is to show that a democratic and cooperative society is not based solely on "good intentions" or on utopian notions. To relegate APRA's



cooperative program to a vague "some day" is to forget the revolutionary content of Haya de la Torre's anti-imperialist philosophy. A cooperative movement is both possible and necessary to achieve the goals of a free and just society, because under the APRA program cooperatives are not just a form of shared ownership and labor in a production unit. They are also a new technological approach. Social involvement and technological creativity will enable us to tackle the serious problems of dependency, centralism and monopolies, which have choked off Peru's potential for development.<sup>3</sup>

Cooperatives as organizations in which people can work together must be strengthened through the contributions of modern technology. Revolution will thus not be a leap into poverty but rather a decentralized social expansion of wealth. The democratic, cooperative program is not a future possibility; it is present-day necessity of social organization. The cooperative model rejects not only unequal distribution; it also rejects the patterns of industrial development that under the pretext of a "neutral technical organization" have given us centralization and poverty within dependence. The cooperative model also does away with social control in the form of monopolies and is therefore a new technological framework for social initiative.

The historic models of social organization do not meet the requirements of justice and freedom or the needs of productive development. In Chapter 3 we studied the alternatives that they offer. On the one hand there is intensified output through "private enterprise," which eventually leads to a concentration of economic power. On the other, there is the concentration of the factors of production in the State and their complete control by the State. In both instances, however, production is divorced from the workers because social production follows hierarchical principles of production organization and concentrated equipment and installations, which are reflections of authoritarian or monopolistic systems.<sup>4</sup> Moreover, both systems are historic expressions of societies that within the world economic system have already reached a high level of industrial development and function as dominant societies. Therefore, it is not scientific to put forward these examples as goals for an economy that owes its backwardness and injustice to the very same world system. As an alternative that transcends these two systems and that seeks to transform our dependent society, the cooperative movement calls for a sector-by-sector coordination of the workers in cooperative production. In the words of Haya de la Torre, the struggle for development "is a struggle of peoples." In other words, it is a social, group, educational effort, not the product of an enterprising business clique. Genuine change must be collective and cooperative, spurred on by other planned initiatives for social goals.

In a distorted view, cooperatives are merely a "desirable" social goal. But putting off their formation could degenerate into pragmatism or disorderly sectoral approaches. Aprismo is a historic movement and, therefore, offers an alternative social organization. Hence,

aided by technological gains, as Haya de la Torre foresaw, cooperatives and small owners in a planned democracy are the solution to injustice and inadequate production.<sup>5</sup>

Along the continuous line from the craftsman to big industry, the expansion of production has been identified with heavy capital concentration. The competitive free-market economy has historically degenerated into monopolistic concentrations. Marx pointed out that such monopolies were an inevitable consequence of capitalist contradictions and the reflection of disorderly productivity, to which socialized control would put an end. But the concept of linearity towards heavy concentration had imposed itself as a "technical ideology of social control." And the fact was that this was a theoretical distortion of big capital that was later tailored to the needs of the large bureaucratic groups in State capitalism. In the Americas the capitalist theory questioned the enclave economy of the 1950's and turned to linearity, proposing industrialization and "development" without questioning the structure of social domination and economic dependence. In contrast, by noting that imperialism was the "supreme determinant" of our social life, Aprismo foresaw that imperialism would bring "the finished machine" to our countries and, hence, a technological model of heavy capital concentration. As we saw in Chapter 6, during the 1950's and 1960's the monopolistic structure of "distorted industrialization" brought growing pressure to bear on the balance of payments (foreign exchange) and was hemmed in by the smallness of the market, its inflationary tendencies and the world crisis. This blueprint for industrial growth no longer works today. It is a dependent model and as such went hand in hand for decades with the expansion of worldwide output and was put in place in accordance with the international logic of capitalism. It is a model that accentuates centralism and regional inequalities and, therefore, limits its own development. It is a model of monopolistic concentration and thus locks people out of the system because it can offer few jobs. Furthermore, it has imposed consumption guidelines that call for heavy imports and, hence, have depressed the production potential of the traditional rural sector. Lastly, because it intensifies inequalities in income and participation, it has social overtones of cultural elitism.

But an interpretation of the crisis is not limited to questioning anarchic development; the cooperativist alternative adds another element. Because it adheres to the exogenous guidelines of the world economy, the worn out model fits in with the capital goods "concentration linearity." As we have indicated, when transnational industry's development was spurred by overvalued exchange rates, with no social guidelines, capital goods flooded an increasingly tight market. This bottleneck must be cleared by an alternative that spurs productivity and, at the same time, provides for a participatory form of organization. In this connection, technology comes to support the goals of a cooperative movement.

When we analyzed the world economic structure and its current crisis in Chapter 7, we saw that the labor movement, higher manpower costs and the accumulative logic of capitalism offset those factors by a heavier concentration of machines using abundant, inexpensive energy. We saw that when oil prices rose, compounding higher labor costs, capitalism defended itself by moving to new locations to take advantage of cheap labor in conjunction with a heavy concentration of machinery.

But the shift of the production model places dangerous restraints on underdeveloped economies, which must use their raw materials to pay for obsolete equipment and machinery that it no longer makes sense for the central countries to use and that acquire new value only because of the cheap labor in the underdeveloped countries. The worldwide crisis and the drop in raw materials prices, which are always cyclical, have aggravated the situation and placed underdeveloped economies in a serious financial crunch.

An anti-imperialist, cooperative alternative must question the production mode itself and its high costs. International capital movements must be replaced by government planning and the establishment of development goals, to overcome the concentration that has become the traditional production model.

To this end, the government as the representative of the masses must "take charge of some economic activities to accumulate capital"<sup>6</sup> and thus finance the creation of the new society. Direct government involvement and taxation should spur the new forms of production.<sup>7</sup> For example, through oil and mining operations the government can earn revenues that can be channeled into social development. Likewise, the elimination of monopolies or oligopolies and control of credit will lead to surpluses and favorable conditions for transforming society.

But direct government involvement and planning is not everything. Society must give rise to a decentralizing movement that combines a lower concentration of technologically appropriate capital goods with genuine cooperative associations. We thus come up against, in practice, the age-old issues of individualism, a legacy of anarchism, and the social objectives and structures of Marxism. This synthesis preserves the development of the individual free from alienation in the overall production process and also the social goals of a more harmonious and more egalitarian expansion of production. Only in this way will an anti-imperialist movement not entail the danger of statist alienations and combine with a movement of economic restructuring, decentralization and higher productivity, because higher productivity and decentralization are the keys to keeping monetary problems and inflation under control.<sup>8</sup> This use of technology to support a modern cooperative movement does not, however, take after so-called "intermediate technology,"<sup>9</sup> which is put forth as a sort of small-scale capitalism for modernizing the backward sectors of underdeveloped

economies. On the contrary, technology tailored to the cooperative movement, decentralization and job creation represents a comprehensive questioning of society. Technology must not be confused with highly specialized materials either. As we will see, the liberation of society's creative forces means incorporating physical and chemical gains into production. In the final accounting, technology is "any<sup>10</sup> human knowledge placed in the service of production to meet needs."

Though not associated with a comprehensive program for cooperatives, planned, nondependent industrial development that is labor-intensive has been attempted in some countries that have questioned the traditional industrial model with its heavy capital goods concentration. We can cite sugar production as an example.<sup>11</sup> Some countries had a choice between the open sugar evaporator and the vacuum evaporator. A study for a plant with a cane grinding capacity of 200 tons an hour (110,000 tons a year) found that with the open evaporator technology it was possible to reconvert into 47 separate units with a grinding capacity of 150 tons a day, but while sharply reducing installation and capital goods costs. It was also found that with this technology there was a fivefold increase in agroindustrial jobs and that, in the final accounting, in addition to lowering technical imports costs, greater decentralization of production was possible. Thus, in exchange for slightly lower profitability, the industry obtained a thousand other benefits.

The redistribution of production also encompasses the manufacturing industry. A study conducted in Ethiopia examined the decentralization of a footwear plant with high capital concentration. Its conclusion was that the quality of production was equivalent in both a factory that could put out 1.8 million pairs of shoes a year (7,200 pairs a day) and 6 factories each able to produce 1,200 pairs a day.<sup>12</sup> Obviously, the single plant had lower production costs. But because they provided more job opportunities, were decentralized, saved on transportation, did without middlemen and had a multiplier effect, the medium-sized units were more socially profitable.

Thus, when we look into the technical model of high concentration that is associated with higher surplus value, we can see its heavy ideological content.

It is not, then, the empirically calculated cost of production but rather the combination of social costs that ought to determine the technical-production model of development. Thus, even in the case of basic industries like cement there is a chance for social rationalization in cooperative units. When the technology of expandable furnaces is utilized, a technology geared towards large-scale operations, production is associated with the high concentration model. Monopoly, oligopoly or, alternatively, government ownership becomes inevitable in this case; moreover, the workers are alienated from production.<sup>13</sup> Furthermore, the cost of capital goods is higher, leading unavoidably

to a constantly greater concentration of capital in each expansion move. In contrast, the technology of shaft furnaces is in keeping with rational planning, enables furnaces of a fixed size to be utilized, cuts installation costs and can be scaled back considerably or, in any case, in line with often scant supplies of the resource.

Unlike production in expandable furnaces, the installation cost of shaft furnaces does not include the additional expense of a potential expansion. To increase output with shaft or fixed-size furnaces, another has to be built. This makes decentralization possible down to the most appropriate units of social administration (regions, municipalities, agencies). In a word, lower installation costs mean lower import needs and less pressure on the balance of payments.<sup>14</sup> Moreover, consideration should be given to alternative raw materials for producing the item. For example, slag cement is being produced with scrap iron and steel (Projects are well under way for its use in the city of Chimbote).

Such experiments are just a small part of a nationwide development program through cooperatives. Similar approaches could be taken in connection with the concentration and refining of ores and, as we shall see later, agroindustrial and farming activities. The revamping of production can thus be accomplished through modern-technology cooperatives in the case of meal products, tomato paste, the non-conventional canning of fish, evaporated milk, etc, in an attempt to spur the traditional rural farm sector and, therefore, promote truly decentralized regionalization.

Government involvement and planning are essential in such a program. We will take up this issue at the close of the chapter. For the time being, let us consider this fact. Under current circumstances, the cooperative movement lacks incentives, technological know-how and compensation arrangements and has therefore been limited to credit and marketing. Nevertheless, even under these conditions, a decisive step will be the coordination of all this available credit through cooperative networks that can link production activities (building materials, consumer goods, foodstuffs, etc) with the credit channels in which cooperatives have already begun operating.<sup>15</sup>

Centralism is another reflection of dependent underdevelopment. We have seen that the basically administrative centralization of the export economy was intensified through industrial development that was concentrated in Lima. This has seriously impoverished and depressed rural areas, causing the prices of its goods to drop and imposing consumption guidelines that are at odds with its natural output of products. As we have seen in Chapter 6, at the conclusion of the distorted development model, more than 70 percent of industrial and value added and almost 80 percent of industrial jobs were concentrated in Lima. Moreover, this type of development was linked to oligopoly, as 6 percent of the companies accounted for 65 percent of total output.

Thus, the heavy concentration of production in a few units was associated with an abismally unjust distribution of income in which the highest 10 percent earned half of total income.

Centralization in Lima has as its counterpart acute depression in the countryside. For example, between 1965 and 1969, while the population grew at a rate of 3 percent a year, farm production increased at just 0.6 percent a year.<sup>16</sup> This was accompanied by a rise in the consumption of items imported and processed by oligopolistic companies, which further depressed rural output. Studies have shown<sup>17</sup> how the traditional diet based on corn and tubers (sweet potato, oca, yucca, pituca) gradually incorporated processed imported foods (wheat, corn, meat, dairy products, oils).

We must discuss this issue in greater detail to demonstrate how out of touch with itself society has been because of dependence. We shall see how the links between production and consumption have been weakened by centralization and oligopolies. What this means is that the value and volume of the goods for the replacement of manpower are increasingly determined by the international market.

Industrial centralization is thus compounded by the drop in the relative prices of farm products to the benefit of the city, which leads to rural impoverishment, heavier migration<sup>18</sup> and, therefore, lower wages. An examination of minimum wage levels shows that the criteria for setting them, in spite of government intervention, are dictated by the abundant availability of manpower.

The country's food structure is thus being built at the expense of the rural sector. Some 1.5 million farms, 1.275 million of which are smaller than 5 hectares, produced nonprocessed foods (potatoes, fresh vegetables, dried vegetables and fruits).<sup>19</sup> Most of the working farm population is concentrated on them.<sup>20</sup>

But the consumption of unprocessed foods has gradually given way, first in Lima and then in rural areas,<sup>21</sup> to items that are imported and processed by oligopolies, which further depresses our agriculture. Some 80 percent of food staples (wheat, milk, corn and barley) is controlled by 6 oligopolistic companies.

The food surpluses of the most highly developed countries, which their governments subsidize for export, are purchased by the Peruvian Government through its inputs enterprise ENCI [National Enterprise for Industrial Marketing]. In turn, the government sells the products to big business at a lower price to subsidize domestic sales. Estimates are that through these subsidies the government absorbs 80 percent of the world price.<sup>22</sup> Then, the doubly subsidized products are channeled through the six big companies, which thanks to the subsidies can impose consumption guidelines that are at odds with the nation's output potential. Thus, the output and even the prices of traditional goods and even import substitutes decline in domestic terms of trade.

It bears mentioning that in 1980 oligopolies handled 90 percent of subsidized wheat and milk, 85 percent of subsidized corn and 77 percent of subsidized soybeans.<sup>23</sup>

The food industry is thus an oligopoly and dependent on imports. In the wheat industry, 3 large consortiums (Nicolini, La Fabril and Cogorno) use 99.7 percent imported wheat in their overall production process. Seventy-one percent of the supply of dairy products is evaporated milk, which is produced by 2 transnational corporations (Gloria and Perulac), which import 76 percent of their inputs.<sup>24</sup> Fats and oils are also an oligopoly (Copsa, Pacocha and Romero), as are concentrated foodstuffs. In the latter industry, three companies (Nicolini, Ralston Purina and Santa Rosa) process imported hard corn, soybeans and sorghum. Consequently, poultry production is also highly concentrated.

As a result of these oligopolies and transnationals that are helped by government subsidies, the production of yucca, corn, wheat, potatoes, etc has declined. No consideration has been given to programs for developing domestic alternatives, for example, the processing of yucca meal, because yucca is a plant that grows well on the jungle fringe, and growers could form cooperatives to produce pellets<sup>25</sup> or high-calorie roasted meal. Moreover, the waste from this production process could be combined with molasses to form a balanced foodstuff. Projects for manufacturing pituca meal have also been undertaken in the Philippines and Bolivia to reduce food imports and dependence. In the Philippines, 20 percent of the flour for bread comes from pituca. Bolivia plans to pass a law calling for 18 percent of bread flour to be provided by pituca.<sup>26</sup>

As an alternative to centralization and the industrial model associated with it, APRA has proposed the decentralization of development and decision-making, with a scientific approach based on the country's regionalization. To this end it has called for a transverse regional distribution.<sup>27</sup> Thus, in contrast to the north, center, south distribution, we are calling for an arrangement under which "an administrative region that seeks to achieve comprehensive economic development must possess all the ecological regions or layers to produce a wide variety of goods and to carry on a wide variety of complementary activities."<sup>28</sup>

Decentralized development around these units, with regional governments, would tend to mitigate the regional disparities that are aggravated by dependent development, through a decentralization of political and administrative power as well as of the production machine.<sup>29</sup> Thus, "the relative poverty or wealth of each region, measured by the cluster" of resources that its economy can make use of, is not static.<sup>30</sup> But regionally decentralized development cannot be divorced from the cooperative movement because it is linked to the technological rationalization of employment and broad social participation. Thus, the APRA program of a cooperative, democratic society is not being put off to some later date; it provides guidelines right now

for organization, development and sectoral policies that would otherwise lapse into pragmatism. In this regard, regionalization and the cooperative system meet the decentralizing goal of "improving the rural economies" (production technology, business organization, income and access to social services), vis-a-vis the "urban economies," especially those that serve as tools of market domination.<sup>31</sup> We have mentioned how the production and consumption of unprocessed foods grown on the 1.5 million farms are declining in the face of the growing consumption of foods imported and processed by six large conglomerates. The promotion of cooperative farming requires the proper size industry, appropriate technology and decentralized management. In this connection, the cooperative system challenges the monopolies and corrects the mistaken notion that farm production is a way to further centralize industrialization. Thus, although land reform is under way in the legal and political spheres, it has not rounded out the picture with economics<sup>32</sup> by promoting decentralized small industry. Hence, it has turned agriculture into an increasingly depressed component of the system.

The processing of farm products must move not only to a scaled back, cooperative-style decentralization of industry but also to a change in canning techniques. For example, we can analyze the consequences of setting up a tomato paste plant in a coastal valley in response to U.S. demand for the item. The high cost of imports because of capital goods concentration puts pressure on our balance of payments. Furthermore, the nearby rural areas gradually become dependent on the processing plant, which takes advantage of their cheap labor. The paste is then canned, which means higher prices because of imported parts; lastly, we have the uncertainties of the foreign market. Under a cooperative system we would need to look into the possibility of replacing the plant complex with several small cooperative plants that would meet the same hygiene requirements but that would pack the paste in plastic sachets and use other kinds of chemical preservatives. By integrating industry and farming in cooperative production, this approach would free the item from oligopoly control.<sup>33</sup>

But transverse regionalization links development to a coordination of various climates, ecological strata and products. It is thus important to mention fishing. We have already mentioned the irrational expansion of the fish meal industry, its concentration and its excessive size. Moreover, class domination is implicit in the food policy switch to expensive protein (meat). Even when government took control, it continued the traditional pattern of heavy capital concentration. Thus, the amount of unutilized capital goods and idle capacity is huge. Consequently, decentralized development to maintain the fish meal industry as a source of foreign exchange must be restructured regionally to provide protein for domestic consumption. This implies a diversification of output (a shift from a capital-intensive to a labor-intensive approach) and the formation of cooperatives. In this connection, the technique of dry salting, plastic wrapping or wood packing must be accompanied by technical strides in the manu-



facture of soluble proteins, sausages and enzymatic hydrolized items. Establishments with a heavy concentration of capital goods are not needed for these technologies nor for fish meal production itself.<sup>34</sup> In this case, as in the previous ones, plant centralization is an ideological adaptation of an authoritarian system of social domination and an outgrowth of anarchical, oligopolistic development.<sup>35</sup>

But in order for a regional and cooperative consolidation of agriculture to assure the country sufficient foodstuffs and shatter the hegemony of the dominant groups, it must be fully backed by the rationalization of production, information systems and location strategies.<sup>36</sup> Moreover, it must incorporate the new seed, irrigation and energy technologies. A cooperative movement based solely on its legal definition or on human effort would not make an effective contribution to regional development. The social efforts of setting up cooperatives must be complemented by imagination, creativity and change. The seed sector, for example, cannot ignore bio-industrial techniques such as the growing of "medistemas," whereby the breaking up of the fruit and the "propagation" of the parts yield an increased production of top quality seeds.<sup>37</sup> The government should promote this technique strongly to reduce seed imports.

With respect to irrigation, the apparently most expensive technologies are actually more profitable and make better use of water, and they should be used to boost food production and the efficiency of the cooperatives. Instead of the traditional gravity irrigation, sprinkler irrigation eliminates the problem of drainage, does not require leveling of the land, enables water-soluble fertilizers to be used and prevents the soil from becoming too saline (with gravity or furrow irrigation, the excess water dissolves the deep salts and brings them to the surface). Furthermore, it is known to boost production and requires less water, which is associated with a more intensive utilization of the land because the furrows are done away with.<sup>38</sup>

Drip irrigation, a more specialized technology, carries a higher initial cost, but this is offset by even greater savings in water and a higher per hectare yield; it is also suitable for desert areas. It has been used in Talca, Chile for the production of seedless table grapes, with a high profit margin per hectare. Research into the ground water in the coastal valleys and the discovery of large masses of underground water could promote the use of this technology. Moreover, drip irrigation can be used in sandy soil and with brackish water. Lastly, hydroponics, which is currently being used near Lima,<sup>39</sup> is revolutionizing farming by making land itself unnecessary for growing crops. Hydroponics, which utilizes water as both the medium and a nutrient (hydrogen is added), can boost production and employment levels greatly.

When applied to tubers and grasses (elephant grass, for example), these techniques would bring about a sharp rise in the supply of produce

and livestock supplies.<sup>40</sup> The utilization of nontraditional farm products such as lupines or protein sources such as paiche, as well as the widespread industrial use of yucca, would also bring about a gradual restructuring of consumption and adapt it to the nation's production potential. The new technologies associated with the cooperative system demand new skills for government planning, as well as for technology research and dissemination. This does not mean, I repeat, that the country should renounce economies of scale in the sectors in which capital costs make up the bulk of total costs (aluminum, wood pulp, chemicals, etc). In these instances, capital goods concentration cuts costs;<sup>41</sup> and therefore the government must control or run these industries. Moreover, a larger market requires subregional and continental integration. Before concluding, I should note that there should also be a move towards cooperatives in marketing.<sup>42</sup>

In support of these changes we need to expand our energy horizons to further decentralization. As a reflection of our dependent, impoverished development, there has also been a disorderly, centralized utilization of energy. Fifty-five percent of Peru's energy comes from oil,<sup>34</sup> percent from wood, 6 percent from water and 5 percent from gas.<sup>43</sup> Thus, fossil fuels are being centralized and used irrationally, and increasingly scarce firewood in the countryside is a serious energy problem.<sup>44</sup>

The major hydroelectric and farm expansion projects that APRA has proposed and defended should be complemented with the use of non-conventional energy sources such as methane or biogas, which though viewed with skepticism have been used successfully in millions of communes in China and India. This energy source is based on the decomposition of organic wastes such as manure or garbage. The wastes are placed in a closed container or "digester," which eventually gives off methane as a fuel for heating, refrigeration, lighting, etc.<sup>45</sup> The utilization of this energy source would enable extensive livestock areas to be restructured labor-intensively. For example, biogas ovens are being used in Cajamarca in pottery workshops.

As an immediately available complement to the larger and slower hydroelectric projects, there is also wind power. The Savonius rotor, the Darreius turbine, which has a vertical axis, and the rotating sail model quadruple the available wind power.<sup>46</sup> There is also geothermal energy using turbines.

The APRA alternative of a democratic, cooperative society combines advanced technology with enterprises small enough to be run as cooperatives.<sup>47</sup> Through active government planning, this means a more bouyant economy and more jobs. But we must not lose sight of the need for gradual change, to which end we require balanced trade to secure foreign exchange and inflows of capital goods. Exports of manufactured goods are thus promoted with tax breaks, as long as their production involves a higher value added and does not entail

greater technological dependency.<sup>48</sup> In this regard, a decentralized scaling back of the economy means a gradual decline in capital goods imports, which will ease the pressure on our balance of payments.<sup>49</sup>

As we have seen throughout this work, the previous development models have proven limitations and foster dependency. Therefore, a social revolution is imperative to transform the current production structure. The APRA alternative of a cooperative system, originally set forth in the Minimum Program, enjoys renewed currency with technological development, of which Haya de la Torre was a close observer.<sup>50</sup> Industrial concentration, which has historically throttled the economy and caused greater poverty, is replaced by a cooperative democracy that employs advanced technology, decentralizes production and plans trade rationally. The government as a representative of the producers thus becomes an agent for technological development, redistribution of the wealth and scientific advancement. The "technological leap" defines the government not only as an allocator of resources but also as a provider of scientific information, which is in itself productive.<sup>51</sup> Planning thus becomes direct promotion of new production techniques and of the cooperative social relations that make them possible.<sup>52</sup>

The social revolution liberates collective energies by associating them in cooperatives. In the case of agroindustry and fishing, more rational general procedures will gradually eliminate the problem of sectoral colonialism under which industries centralized by risky exports and expensive inputs turn the countryside into a satellite. Thus, the alienations stemming from the city-countryside antithesis, the labor-capital confrontation and the division of labor into white- and blue-collar, are transcended by cooperative relations and the use of modern technology. The heavy capital model was, in fact, associated with the concentration of know-how in a hierarchical group. The cooperative model implies a dissemination of knowledge and an understanding of overall production processes.<sup>53</sup> Consequently, the division of labor, a source of alienation, is countered by the modern concept of technology as integrated blue- and white-collar participation aimed at freedom.

Thus, APRA's philosophy remains fully in keeping with a world that is constantly changing. The struggle against imperialism means battling the indiscriminate penetration of transnational capital; redefining the terms of trade between raw materials and manufactured goods; and directly or indirectly managing primary and basic surpluses. But it is also a social effort to revamp oligopolistic production and consumption, which amid the crisis of world capitalism keeps society underprivileged and impoverished.

This effort must be associated, however, with APRA's great goal, because it demands the subregional and continental integration of the indo-American economies. This is how we will confront the internationalization of the economy and its current crisis. Resisting the new forms of imperialism and the relations of excluded subordination

that imperialism imposes on our countries means government efforts in education and planning towards continent-wide integration. It means bringing about social justice based on the broad participation of the workers in education and in overall political decision-making. In a democratic society the cooperative model of production is in keeping with the social guidelines and objectives of freedom and well-being. APRA's longstanding rallying cry best summarizes its alternative program: "Against imperialism, for the political unity of Latin America and for the achievement of justice."<sup>54</sup>

#### FOOTNOTES

1. "To APRA, the State is the instrument for defending society. Thus, the intensity and nature of its intervention must be in keeping with the imperatives of guiding socioeconomic change and of creating conditions conducive to the effective functioning of the economy." Summary of the Foundations of the Government Plan, 1980.
2. Haya de la Torre mentions this when he proposes "the organization of a new government-run, cooperative-based economic system that would control industry, destroy the imperialist monopolies and assure domestic ownership of our resources." Anti-Imperialism and APRA, T.V.
3. "Both in small farming (communities, sharecropping, truck farms, etc) and in small industry and trade, cooperatives are possible as a tool for immediate economic reorganization that will boost output, expand the radius of work, facilitate transportation and make for less expensive consumption." Victor Raul Haya de la Torre, "Obras Completas," Volume 5, p 112.
4. The socialist countries, "having taken up and then developed a mode of production that was initially established under capitalism, have introduced forms of organization and social control that are essentially capitalistic to make effective use of this technology." David Dickson, "Alternative Technology," Blume Publishing, Madrid, 1980, p XIII.
5. The guidelines of the minimum program (1931) have thus been borne out by subsequent developments. It called for cooperatives and planned ownership as the foundation of the new society. As we will see in our discussion of current technologies, production is scaled back to small and medium-sized units.
6. Summary of the Foundations of the Government Plan, April 1980.
7. We have the specific case of PETROPERU [State Petroleum Agency] and its capital depletion to the benefit of contractor companies that operate through subcontractors and make fat profits. The government must strengthen its enterprises and channel their surpluses towards social ends.

8. One objective of the Emergency Plan that was presented in 1980 is "to stabilize prices through investment in and the production and rational supply of essential goods," p 11.
9. E.F. Schumacher, "Small Is Beautiful," Blume Publishing, Madrid, 1978.
10. Guillermo Davila Rosazza, "Concerning Alternative Technological Policies," in "Aproximacion critica a la tecnologia en el Peru," p 94. Lima, Mosca Azul, 1982. Note: "Decision-making autonomy in science and technology is closely linked to national self-determination and independence, which are understood to mean the freedom to set national goals and to choose the means of achieving them." Francisco Sagasti, "Towards Endogenous Scientific-Technological Development in Latin America," COMERCIO EXTERIOR, Vol 28, No 12, Mexico, 1978.
11. UNIDO [United Nations Industrial Development Organization] (ID/WG.282/28 and ID/WG.282/99); D.J.C. Forsythe, "The Choice of Manufacturing Technology in Sugar Production in Less Developed Countries," London, H.M. Stationery Office; D.J.C. Forsythe, "Appropriate Technology in Sugar Manufacture," World Development, Vol 5, 3, 1977.
12. N.S. MacBain and J. Pickett, "Footwear Production in Ethiopia: A Case Study of Appropriate Technology," THE JOURNAL OF MODERN AFRICAN STUDIES, December 1975.
13. We should note that one of the criteria for describing a basic activity and, hence, determining whether it should be state-run has been a heavy concentration of capital goods, without asking the reason for or the social consequences of the situation.
14. Shaft furnace technology is being tested in 17 countries, including France, Germany, Italy and Belgium. It is most widely used in China, however. In 1965 there were 200 such plants in the country, but by 1975 the number had risen to 2,800, and their size was tending to decrease on the average (from 25,000 tons to 10,000 tons a year. In 1975, 57 percent of the Portland and pozzolanic cement produced in China came from these small plants, which are to be found in 80 percent of China's districts.

China has thus cut its capital goods imports costs, avoided idle capacity and multiplied job opportunities tenfold in comparison to rotary-hearth furnace technology. And whereas in China the profit margin was lower, in India the cost of the two technologies turned out to be the same.

See "Small-Scale Cement Plants," Jon Sigurdson, Intermediate Technology Publications, Ltd, London, 1977; "Techno-Economic Feasibility Report for Setting Up Mini-Cement Plants in the North-eastern Region of India," 1975, Cement Research Institute of India.

15. A cooperative network with cooperative financial institutions could thus promote and provide capital for production and services enterprises. For example, housing loan cooperatives could link up with small building materials plants or warehouses, etc.
16. Raul Hopkins, "Desarrollo desigual y crisis en la agricultura peruana, 1944-1969," p 178, IEP, 1981.
17. Gonzales Vigil, Parodi Zeballos, Tume Torres, "Alimentos y transnacionales," Desco, 1981; Jose Fernandez, F. Tume Torres, "Industrialization Policies and the Development of Agroindustry," in "Estrategias y politicas de industrializacion," Desco, 1981; "La Agroindustria y el sistema alimentario: diagnostico y propuesta de reforma," (op. cit., Desco, 1981).
18. R. Hopkins, p 159.
19. M. Lajo, op. cit., p 347.
20. Forty percent of the total working population is employed in agriculture.
21. See R. Hopkins, pp 150 and ff.
22. M. Lajo, op. cit., p 349.
23. M. Lajo, op. cit., p 349.
24. M. Lajo, op. cit., p 345. We should add that monopoly control over the supply of milk produced with imported inputs cuts into the production of fresh milk. Moreover, its packaging technique accounts for 40 percent of its cost.
25. Germany imports a million tons a year of pelletized yucca meal. Yucca starch is used in the plastics industry.
26. Carlos Samaniego, "Technology and Hydro-Agro-Biological Resources," in "Aproximacion critica de la tecnologia en el Peru," p 101, Mosca Azul, 1982.
27. Peruvian scholar Javier Pulgar Vidal has worked out the establishment of eight transverse regions and one in the lowland jungle. "Regionalizacion," p 31, Government Plan Commission, Lima, 1982.
28. J. Pulgar Vidal, op. cit., p 18. "This can be achieved only through a transverse regionalization of the country that enables us to take advantage of the resources in our territorial waters; the extremely fertile oases around Chala and along the coast; of the fruits of the Yungas; of the vegetables and grains in the Quechua; of the tubers in the Suni; of the wool, dried beef and potato starch of the Puna; of the snows of the Janca; of the

countless animal and plant products in the highland jungle; of the timber, oil, clay, fats, resins, rubber, meat, fish, fruit and grains of the lowland jungle. To fail to do so would halt Peru's development." (Op. cit., p 19).

29. Raul Lizarraga's excellent study "Unequal Growth and Development Policies," which complements the initiative on transverse regionalization," proposes both policies (public investment, regional financial coordination) and guidelines (regional food programs, transverse highways, decentralized enterprises, etc); in "Regionalizacion," op. cit., p 73 and ff.
30. Loc. cit., p 78.
31. Loc. cit., p 89.
32. For example, technology dissemination and training centers, production and processing cooperatives, and machinery pools were not set up in the Chira-Piura, Santa Rosa-Barranca areas, etc. Nor were ecological factors taken into account (channels, dams, etc).
33. "Begin actively diversifying production in rural areas to reduce underemployment and migration to the cities.  
  
"Support and promote the creation and development of small production and services enterprises and cooperatives that use labor-intensive technologies, preferably in rural areas.  
  
"Reconcile the use, importation and adaptation of technology and production organization methods with the need to make better use of human and natural resources." Emergency Plan, 1980, p 28.
34. Nevertheless, because it is a basic industry, fish meal should be produced and marketed via existing facilities by the government.

Note: Studies have proven the feasibility of small fish production and packaging units. For example, the processing and canning of a ton of fish a day (17 crates, 48 cans) requires the efforts of 7 persons in a unit with the basic equipment (filleting table and exhaustor, can-sealing equipment, autoclave, etc). The estimated investment is about \$25,000, which yields a high profit margin. Moreover, both the investment and unit costs drop with other types of packaging. Study conducted by the New Technological and Social Strategy Institute, Lima, June 1982.

Note: When we discuss energy alternatives, we will look at biogas (Footnote 45). In connection with the present topic of the irrational use of fishing resources, we could mention, among other uses, the experimental production of amino acids and vitamin B12 from fish scraps "inoculated" with methane-generating bacteria. Gas

scrubbing yields various elements (carbon dioxide, sulphydric, ammonia, methane), and bacteria acting on scraps yield amino acids and vitamins. (UNFV)

35. Emergency Plan, 1980. "Public investment and investment under agreements with the nonpublic sector are an important element. In this regard, we must stress the need to channel such investment mainly into projects that create jobs and that immediately spur economic decentralization and production activities in the nation's most depressed zones."
36. "Define a basket of basic foodstuffs, to which the government will accord special treatment in terms of reliable supplies, middleman profit margins, tax breaks, appropriate infrastructure to spur production, and a code of sanctions for crimes that prevent low-income groups from obtaining a proper diet." Emergency Plan, 1980, p 23.
37. This unconventional technique would help us to develop seeds that are resistant to disease, sprout quickly, have a high planting density and high fertility. In this connection, the Emergency Plan stated: "Timely supplies and use of seeds...Seed nurseries and reproduction centers will be installed or modernized in strategic areas." Emergency Plan, 1980, p 24.
38. Israel has about 400,000 hectares of crop area, of which only 200,000 are permanently irrigated, the rest without irrigation. The amount of water harnessed is 1.5 million cubic meters. Israel is able to feed a population of more than 4 million, who consume a daily average of 3,000 calories, and export more than \$1 billion worth of foodstuffs to Europe. It can do all this because in its permanent irrigation areas it uses the sprinkler and drip methods and is now beginning to employ hydroponics.

In contrast, in Peru the Chira-Piura Project alone (Chira Valley, Lower Piura, Middle Piura, San Lorenzo, Upper Piura, El Tablazo) offers more than 160,000 usable hectares with as much as 2.4 million cubic meters of water under optimum use conditions. This is almost 60 percent more water volume than Israel has.

There is scientific proof of higher yields of alfalfa, cane, fruit, etc, while using only half as much water as with gravity irrigation. In addition, costs are cut because the terrain does not have to be leveled.

In this regard we should look into a study on the "La Vina Cooperative" and how it could be outfitted to grow sugar cane either with gravity irrigation (plus terrain leveling) or with lower-cost, higher-production sprinkler irrigation.



These technologically advanced systems complement the major projects for extending our agricultural and energy frontiers, such as the Olmos irrigation project (90,000 hectares), Chavimochic (irrigation improvements and the reclamation of 115,000 hectares), Jequetepeque-Zana, and the completion of projects already under way.

39. Pilot project, New Technological and Social Strategy, 1982.
40. In the field of livestock raising, we should take into account the strides that India has made in genetic engineering, both in selecting and manipulating chromosomes and in fermentation by enzymes.
41. It has been found that in the case of petrochemicals, doubling the size of installations cuts costs up to 30 percent.
42. "Establish a system of government procurement and transportation of certain strategic products...Encourage the creation of consumption and services cooperatives among the producers themselves, to whom the government would gradually transfer responsibility for distributing and marketing their products." Emergency Plan, 1980, p 25.
43. Manfred Horn, "Technological Problems Involved in Available Energy," in "Aproximacion critica a la tecnologia en el Peru," p 49.
44. We can see here how a minor planning effort would help solve problems. In vast areas of the countryside, food is cooked over open-air, wood-fueled fires, which means that 90 percent of the heat generated goes to waste. Surrounding the fire with clay walls would concentrate the heat and cut firewood use in half.
45. In the town of Tigua in the department of Ancash, biogas has been used in a pilot project for heating, lighting and refrigeration in a cheese factory. The Indian-style digester has been hooked into a microsystem in which it provides power for the small factory, while the "digested" matter is used as high-quality fertilizer in a corn and fodder plot for the cows that yield the milk and the organic matter for the digester. Moreover, the liquid used in the digester then serves as fertilizer for growing icornias or aquatic plants, which are used as food for a wide variety of carp. This incredible minisystem should be in widespread use, as in other countries.
46. Frank George, "The Present and Future of Science," Carait, Barcelona, 1978, p 151; David Dickson, op. cit., p 101; E.W. Golding, "The Generation of Electricity by Wind Power," E. and F.N. Spon Ltd, New York.
47. An objection to the idea of a technologically scaled back cooperative is that the cooperative model can be applied to large-scale under-

takings. We should not forget, however, that one of the aims of production cooperatives is to overcome worker alienation. Workers become alienated when they do not own the goods they create, but also when labor becomes piecemeal, divorced from the overall production process. In the case of already large enterprises, the cooperative model should be maintained as an accomplishment and improved through the genuine participation of its member workers, because otherwise there is the danger of a new sort of alienation, the predominance of the technocracy and the subordination of labor to it.

Furthermore, anti-imperialism and a general democratization of society are furthered by harmonious economic development. Combining regionalization and nonmonopolistic development with worker participation is the objective of the cooperative model today.

48. Missing.
49. Between 1970 and 1976, the gross domestic product grew by 5 percent a year, while imports increased at a 7.4 percent clip and exports declined.
50. We should recall his lectures and concerns about computers and modern science after 1969. On these occasions he too stressed technological and agricultural alternatives such as lupines, pituca and mesquite or the breadfruit tree. "The founding of our party coincided with a revolution: the revolution in science and technology, which brought upheavals and altered knowledge that had given rise to philosophies that seemed everlasting." Volume 7, Speeches, p 452, 1975.
51. Through taxation the government must establish the manner in which production units and government itself are to participate in the creation and management of a fund and of programs for research into agricultural and industrial technology.
52. The objection that there would be inadequate accumulation is countered by the assertion that government planning and coordination among production units would channel into investment the profits that are concentrated among the highest-income strata and that are spent mostly on luxury items. Carbonetto (op. cit., p 77) has shown that profits, which accounted for 33 percent of income in 1979, went 40 percent into savings in previous years. Some guidelines for action would be effective tax reform, priority for government investment, expeditious management of resources, and a buoyant production apparatus in the countryside. Furthermore, direct government involvement in oil, mining and other resources will help to bring about the necessary accumulation.

Note: As income became concentrated, business profits rose. In 1970, they accounted for 19.8 percent of national income; in 1974, 23 percent. And since an increasing percentage of the profits was used for personal consumption, consumer goods imports rose. Carbonetto shows that the percentage of profits earmarked for personal consumption rose from 26.7 percent in 1972 to 48 percent in 1973, 53 percent in 1974 and close to 60 percent in 1976. In contrast, profits placed in savings declined. In 1974 and 1975, when the share of total profits in national income rose to 22-23 percent, profits placed in savings amounted to just 9 percent of national income. Daniel Carbonetto, "Economic Models and External Opening," in "Estrategias y politicas de industrializacion," Desco, 1981, p 76.

53. Aprismo's historic project is based on education as a harnesser of human resources and as a guaranty of real social participation. Rejecting "enlightened despotism" and the "revolution made from above," APRA has always called for universal education free of charge and for infrastructural support for education. Thus, the cooperative model has also been pointed to as a means of education "on and for the job." Keeping up with technological change is a major social objective. The 1980 Emergency Plan called for, among other things, the "intensive training of peasant farmer leaders...to avoid the chronic shortage of intermediate technicians in farming."
54. "Anti-Imperialism and APRA," Chapter 1, "What Is APRA?" Volume 4, p 81.

My Memories of Haya de la Torre (Article by Alan Garcia in the newspaper HOY)

I knew Haya de la Torre by name and in legend long before I met him in person. This was because my parents were members of APRA, and I first became aware of him when my father was imprisoned for being the party's organizational secretary. Haya de la Torre was talked about all the time in my family's home then as a source of hope. When I met Haya de la Torre, I was still just a child of 12, and I am sure that he did not even notice me amid so many people.

The first time that I saw him was after the 1962 election, at a youth camp organized in Chosica, where he arrived in Arnaldo Alvarado's car. I saw him from a distance of just 3 or 4 meters. I could not get any closer. He was wearing a leather jacket and looked very youthful. He gave a extremely thought-provoking speech for us youngsters at the time. He acknowledged that the party no longer had a nationwide majority and that we had to be careful about keeping our one-third, which we had at the time. What impressed me the most, aside from his personality, was his mention of the need to propagate our ideas very openly among all people who might rally around APRA. For the first time I heard him mention Saint Paul; years later he explained

to me that in his view Saint Paul was the most important Jew who had ever spread Christianity and that his mention of Paul the first time I met him was a message to young APRA members that they should seek out the nonbelievers, the indifferent, people who did not belong to APRA. That is my most vivid memory of Haya de la Torre after an election in which he was victorious but not by the margin that we had hoped for. During those years I had seen Haya de la Torre at large demonstrations, in Campo Marte for example, which impressed me, like everyone else, by their size; nevertheless, the election returns did not measure up to the size of our demonstrations or rallies. A few days after the election at the youth camp I was astonished to see a very pensive, very calm Haya de la Torre who never lost his cool and who taught us this lesson: If we did not achieve a bigger victory, we have to seek out the people who did not vote and find out why they failed to understand the party.

Something that I have never been able to separate is the legendary Haya de la Torre of my early years and the concept of the heroic people acting on their history. Haya de la Torre ushered me into politics, and I began to understand social contradictions, the underprivileged status of certain groups and poverty and to see him as a hope for people who had no hope. I could never stop seeing him as a revolutionary, as a force for social change, as a sort of evangelist. His philosophy always had a tremendously human substance, and I think that this was Haya de la Torre's great asset. He was a revolutionary, the builder of socialism in the Americas; it was he who under the name of Aprismo affirmed democratic national values, the transformation of government and, in particular, ethics as a political cause for action and solidarity with the masses. And he transferred all of this to his human experiences; he was always mindful that he represented hope to people. I have seen him take off his overcoat and refuse to eat in front of poor people because he was inwardly ashamed that they could not eat what he could and because perhaps he felt, as he was building his party, that he could do more for the people. Haya de la Torre was a man who was tremendously committed to everyday matters. It is commonly thought in politics that a president must be cold and think of Peru in purely physical terms. Haya de la Torre's virtue was that he saw Peru in human terms, Peru as the sum total of all Peruvians, Peru as the flesh and blood of Peruvians, especially the poor and the humble in our country, who ought to be taken care of first. Haya de la Torre was very committed to people. I am sure that as president he would have experienced an enormous conflict between his duties in office of dealing with the macroeconomy, with big numbers and guidelines, and his commitment to each flesh-and-blood Peruvian that he would meet or see. I am sure that he could not have rushed through a slum or a maternity home for poor women. I am sure that he would have wanted to stop and spend time there. Over the years I have seen his concern for people who joined the party while he was out of the public eye, out of power for so long. He was very interested in what was happening with a little 7-year old boy whom we both met in 1969. Campos, or Campitos as Haya de

la Torre called him, came to our party locale every night at midnight to sell his candies, and he told us about his family and how he had to bring at least something back home. Haya de la Torre asked Campitos every night where he had been and how much he had sold. This very human relationship shows that Haya de la Torre had a vital social commitment to his people, not to some cold theory. And this was not the only case. He had a very close relationship with the poorest of the people who came to our party. I am sure that these stories truly epitomize Haya de la Torre, who was very sentimental about things that were close to him.

Jorge Idiaquez, the secretary who accompanied him for decades, could unquestionably give first-hand accounts of Haya de la Torre's experiences in the various regions of the country. I remember one night, returning from Vitarte, from Quinta Mercedes to Lima, we passed by Cerro El Pino and El Agustin, and then alongside the water tank we saw people running from a raging fire that was devouring several homes. Haya de la Torre had the car stop, and I, very moved, saw him cry because he realized that the people had nothing with which to battle the blaze. To calm him, we got out and tried to help, but there was nothing much we could do because the homes were very flimsy. We had to tell him otherwise when we got back so that he would not be tortured by the terrible memory. He was very contrite and said nothing the entire night. I headed off with him back to Quinta Mercedes at 3 in the morning. He stopped the car and wanted to find out what had happened to those people, what they were doing, but there was no one at the site of the fire. I have been party to many such experiences alongside Haya de la Torre; these are the small things that make a great man. He had to come down in October at 3 in the morning. The fog was very thick, and it was damp and cold. His secretary put the overcoat he had brought from Europe over his shoulders. As soon as he reached the stairs at the headquarters on Alfonso Ugarte, he saw that the party's nighttime faithful, poor people, were there, and in a gesture of displeasure he tore off the coat so that they would not see him wearing it, and he never wore it again.

I was lucky enough to have a letter of presentation when I met him; I was a son of Garcia Ronceros, who had been with him during the long persecution. After that, the door was always open to me, and he taught me many things.

He could tolerate not having power and being on the sidelines because he was always the candidate of the people. There is no other explanation of why he did not become president of Peru.

A great many things can be said about Haya de la Torre and about APRA's strategies, but the fact is that the Right never forgave APRA for being the party of the people, the party, as a sociologist once said, of Peru's "cholos," the people who are gradually forming a culturally and socially mestizo group. Hence, Haya de la Torre, who was the great leader of all these people and the great insurgent

of the 1930's, never enjoyed the trust of those who held economic power in Peru, which is why he never got to be president.

Haya de la Torre was basically a teacher and as such he carefully observed the young people who would join the party. Haya de la Torre lived a quiet, methodical life, and he kept very late hours. Since his youth he devoted himself to the party from 7 in the evening to 3 in the morning every day, illness notwithstanding. One day, the car in which he was riding was hit by a drunken driver. Haya de la Torre was taken home, and he said that he felt some discomfort. He showed up the next day at party headquarters, as normal, and only 3 days later did we find out that he had broken three ribs. He was always concealing his ailments so that he could keep showing up at party headquarters because he had "important engagements." I can tell you what those engagements were: Tuesday, the University Parliament; Wednesday, the Executive Committee; Thursday, the colloquium in the auditorium; Saturday, the Leaders School.

He gathered together young people little by little and set up what he called the Bureau of Unions, which he formed several times during his life. It consisted of groups of young people whom he assigned to help out in each of the National Secretariats. As he told me one day, "you people are the Jesuit's nail; you go there and you're going to stay there." I asked what he meant by the "Jesuit's nail," and he told me about the Jesuit who came to a house one day and was asked what he wanted; he replied: a nail to hang my cassock on, and he stayed there for good. He put together teams and promoted emulations to encourage us youngsters to study.

He was a tireless conversationalist. I have always believed that Haya de la Torre's life force was reflected in his yearning to communicate. He was like a constantly radioactive, irradiating substance, as he conversed and communicated ceaselessly. And when he saw that his audience, which could just as well have been 4 or 5 people as 1,000, was growing tired and distracted, he changed the subject or perked them up with jokes.

By the way, I think that the major unknown side of Haya de la Torre is his sense of humor, which he never lost, even in the most difficult times, even when he was in physical danger. On the night of 19 February 1979 a doctor friend confided in me that Haya had cancer. He called me to his office, and since I was very close to Haya, he let me in on this secret. I returned to Congress in a state of pained shock and I asked the secretary, who at that moment was seated next to Haya on the dais in the Constitutional Assembly, to let me take his seat. I am still sure that he knew or realized then that I had heard the news or that I knew that he was very sick, because he asked me: "Wouldn't you like some ice cream?" I rode with him in his car, driven by Jorge Idiaquez, to Quinta Mercedes, where there were very few people, just two doctors, who had always come there at night. He joked around a lot and had ice cream brought to me in a big dish.

He had some ice cream too, like a child. Suddenly, for the first time he was jolted by a very intense pain, but when the pain passed, the first thing he did was to call me and joke around with me, telling me that I looked like a wounded wolf. After joking around a bit he said to me: "You got scared; that deserves a shot of whisky." And that was it. He never lost his sense of humor and waggishness, and I am certain that the party's leaders were often the target of his barbs. This is the other side of Haya de la Torre: a very fine but nonstop wit, as we were saying in the Leaders School not long ago. He would be on someone's case all evening, not letting up, and then the guy would turn around and say, "the boss is on my case" because he would not stop teasing him.

He was very understanding, very tolerant, very generous about people's shortcomings, except for the people around him, the people in his confidence. He was intolerant, harsh with them, like an authoritarian father. I now think that Haya de la Torre marks the beginning of our country's modern political history, the great national effort to understand Peru's destiny; Haya de la Torre brought 20th century politics to our country, the APRA call for social mobilization, the concept of the Single Front, which is Haya de la Torre's enormous innovative contribution, the concept of the people as a whole as an agent of history.

Although it is difficult now to be a socialist or a social struggler, he arose at a time when it was even more difficult; his was an isolated political voice. There were other thinkers, ideologists and commentators, but he was a historic force, a political force, and I think that he was never forgiven for this, because with him began the revolution in Peru. This revolution must not be understood as a decree or as happening on a certain day; it is a process, and the revolution in Peru is under way and becoming irreversible as the age-old model that he spoke out against, dependence, has intensified, with centralism, exploitation and underdevelopment in our country.

Therefore, my revolutionary, philosophical and human commitment to Haya de la Torre is to see to it that the great objectives that he charted, the great objectives of the revolutionary spirit of the times in which he lived, are achieved in our country.

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